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July 6, 2006

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

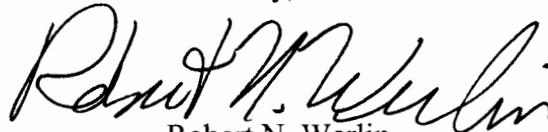
Re: NSTAR Electric Company, D.T.E. 06-40

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter are the responses to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,



Robert N. Werlin

Enclosures

cc: Service List

Responses to Information Requests

DTE-1-29 **[BULK ATTACHMENTS]**

DTE-1-31

DTE-1-34

MIT-1-17

MIT-1-21

MIT-1-22

Information Request DTE-1-29

Refer to Exh. NSTAR-CLV-11, at 26-27. Please provide the results of all the survivor curve analyses that Mr. Spanos performed regarding the Companies' plant. Please also provide all statistics, graphs, charts, and analysis for each plant account.

Response

**[BULK ATTACHMENTS]**

Please refer to Attachment DTE-1-29(a) through Attachment DTE-1-29(d) **[BULK ATTACHMENTS]**, which show the survivor curve analysis by plant account for the depreciation study performed by Mr. Spanos for Boston Edison, Commonwealth, Cambridge and the combined NSTAR Electric, respectively. The survivor curves are the graphical pages labeled "Additions and Balances" and "Additions and Growth." The back-up for this analysis follows these two pages and is titled "Annual Statistics Classified by Accounting Transaction," "Total Aged Data Within Experience Band" and "Multiple Original Group Life Table."

Information Request DTE-1-31

Refer to Exh. NSTAR-CLV-11, at 36-38. Please provide the workpapers, calculations, formulas, and assumptions used by Mr. Spanos to allocate the test year end balance of accumulated depreciation to each plant account.

Response

The test-year balances for accumulated depreciation for each plant account were determined at the company level first and then combined for the entire electric study calculation. The Commonwealth and Cambridge accumulated depreciation balances were maintained by account, and hence no allocation method was necessary. The Boston Edison accumulated depreciation was maintained by function (Transmission, Distribution and General Plant). Therefore, Mr. Spanos allocated the accumulated depreciation within the function based on the theoretical reserve amounts established by the survivor curve and net salvage components. There are no workpapers available.

Information Request DTE-1-34

Refer to Exh. NSTAR-CLV-11, at 34-36. Please provide all of the workpapers, calculations, formulas, and assumptions used by Mr. Spanos to perform his salvage and retirement cost study in this case.

Response

Please refer to Attachment DTE-1-29(a) through Attachment DTE-1-29(d) [**BULK ATTACHMENTS**], which show the workpapers used to perform the salvage and retirement cost study. by plant account for the depreciation study performed by Mr. Spanos for Boston Edison, Commonwealth, Cambridge and the combined NSTAR Electric, respectively. The workpapers are titled "Summary of Book Salvage." The calculations and formulas are embedded in proprietary computer programs developed by Gannett Flemming.

Information Request MIT-1-17

How did the Company determine to assign the cost collection for the 13.8 kV facilities for each rate?

Response

The costs associated with Cambridge's 13.8 kV facilities are currently recovered through the allocated transmission charges for the individual rate classes. In order to maintain revenue neutrality at the customer bill level, the Companies reduced the transmission charges by the average percentage of total 13.8 kV revenue requirement to total transmission revenue requirement and increased the distribution charges by the decrease in the transmission price for each class. As a result, the costs of the 13.8 kV facilities are reassigned from transmission to the distribution rates exactly as they are currently recovered in the individual transmission rates.

Information Request MIT-1-21

Please provide a copy of the most recent depreciation study prior to the 2004 materials provided in the Petition for Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company including any prepared on a consolidated basis and other submissions made at a state or federal level.

Response

Please refer to the response to Information Request DTE-1-25 [**BULK ATTACHMENTS**]. The response provides the most recent depreciation studies for each of the three companies at the state level. Because the Companies were integrated utilities at the time, providing bundled service, the depreciation studies included generation, transmission and distribution plant.

Since unbundling, only one of the Companies has applied for a revision to its transmission depreciation rates. Attachment MIT-1-21 is a depreciation study performed for Boston Edison in 2003 for transmission plant, only, which is under federal jurisdiction.

# BOSTON EDISON COMPANY

## DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS  
RELATED TO ELECTRIC TRANSMISSION PLANT  
AS OF DECEMBER 31, 2002



**Gannett Fleming**  
Valuation and Rate Division



May 30, 2003

Boston Edison Company  
One NSTAR Way, SE-250  
Westwood, MA 02090-9230

Attention Mr. Robert J. Weafer, Jr.  
Vice President, Controller & CAO

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric transmission plant of Boston Edison Company as of December 31, 2002. The attached report presents a description of the methods used in the estimation of depreciation, the summary of annual and accrued depreciation, the statistical support for the service life and net salvage estimates, and the detailed tabulations of annual and accrued depreciation.

Respectfully submitted,

GANNETT FLEMING, INC.

JOHN J. SPANOS  
Vice President  
Valuation and Rate Division

JJS:krm

BOSTON EDISON COMPANY  
Westwood, Massachusetts

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS  
RELATED TO ELECTRIC TRANSMISSION PLANT  
AS OF DECEMBER 31, 2002

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION  
Harrisburg, Pennsylvania

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## PART I. INTRODUCTION

BOSTON EDISON COMPANY

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS  
RELATED TO ELECTRIC TRANSMISSION PLANT  
AS OF DECEMBER 31, 2002

PART I. INTRODUCTION

SCOPE

This report presents the results of the depreciation study prepared for Boston Edison Company ("BECO" or "Company") as applied to electric transmission plant in service as of December 31, 2002. It relates to the concepts, methods and basic judgments which underlie recommended annual depreciation accrual rates related to current electric plant in service.

The service life estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded from 1979 through 2002; the net salvage analyses of historical plant retirement data recorded from 1992 through 2002; a review of Company practice and outlook as they relate to plant operation and retirement; and consideration of current practice in the electric industry, including knowledge of service life and salvage estimates used for other electric properties.

PLAN OF REPORT

Part I includes brief statements of the scope and basis of the study. Part II presents descriptions of the methods used in the service life and salvage studies and the methods and procedures used in the calculation of depreciation. Part III presents the results of the study, including summary tables, survivor curve charts and life tables resulting from the

retirement rate method of analysis; tabular results of the historical net salvage analyses; and detailed tabulations of the calculated remaining lives and annual accruals.

## BASIS OF STUDY

### Depreciation

For all accounts, the annual depreciation was calculated by the straight line method using the average service life procedure and the remaining life basis. The calculated remaining lives and annual depreciation accrual rates were based on attained ages of plant in service and the estimated service life and salvage characteristics of each depreciable group.

### Survivor Curve and Net Salvage Estimates

The procedure for estimating survivor curves, which define service lives and remaining lives, consisted of compiling historical service life data for the plant accounts or other depreciable groups, analyzing the historical data base through the use of accepted techniques, and forecasting the survivor characteristics for each depreciable account or group. These forecasts were based on interpretations of the historical data analyses and the expectations of future survivors. The combination of the historical data and the estimated future trend yields a complete pattern of life characteristics, i.e., a survivor curve, from which the average service life and remaining service life are derived.

The historical data analyzed for life estimation purposes were compiled for the period 1991 through 2002 from the Company's fixed asset records. Such data included plant additions, retirements, transfers and other activity recorded by BECO for each of its plant accounts and subaccounts.

The estimates of net salvage by account incorporated a review of experienced costs of removal and salvage related to plant retirements, and consideration of trends exhibited by the historical data. The component of net salvage, i.e., cost of removal and salvage, was stated in dollars and as a percent of retirement.

An understanding of the function of the plant and information with respect to the reasons for past retirements and the expected causes of future retirements was obtained through discussions with operating and management personnel. The supplemental information obtained in this manner was considered in the interpretation and extrapolation of the statistical analyses.

#### Calculation of Depreciation

The depreciation accrual rates were calculated using the straight line method, the remaining life basis and the average service life depreciation procedure. The continuation of amortization accounting for certain accounts is recommended because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts.



PART II. METHODS USED IN  
THE ESTIMATION OF DEPRECIATION

## PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

### DEPRECIATION

Depreciation, as defined in the Uniform System of Accounts, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight line method of depreciation.

The calculation of annual depreciation based on the straight line method requires the estimation of average life and salvage. These subjects are discussed in the sections which follow.

## SERVICE LIFE AND NET SALVAGE ESTIMATION

### Average Service Life

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

### Survivor Curves

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

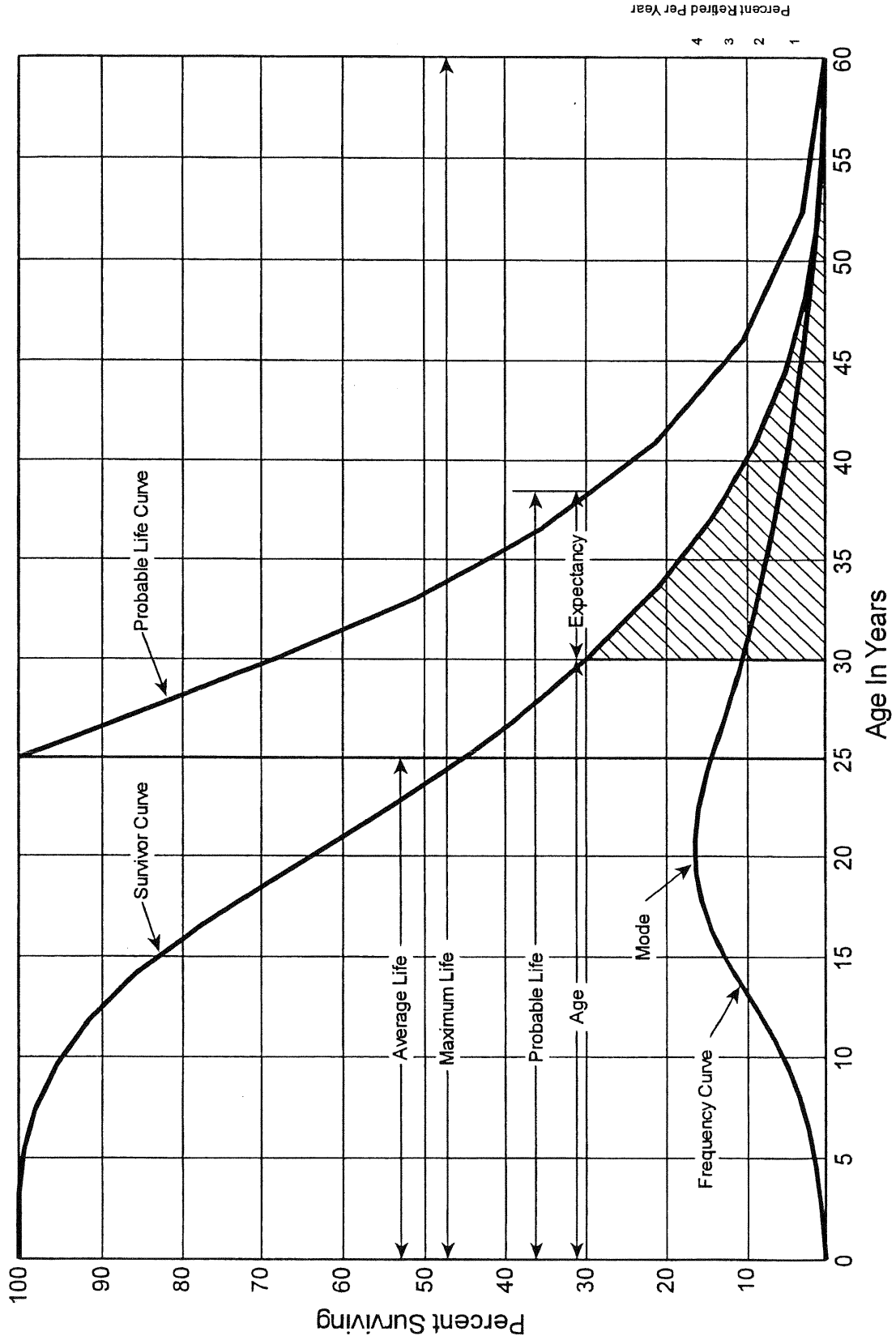


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded or L curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded or S curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded or R curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded or O curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numerical subscripts represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125.<sup>1</sup> These type curves have also been presented in subsequent Experiment Station

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<sup>1</sup>Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

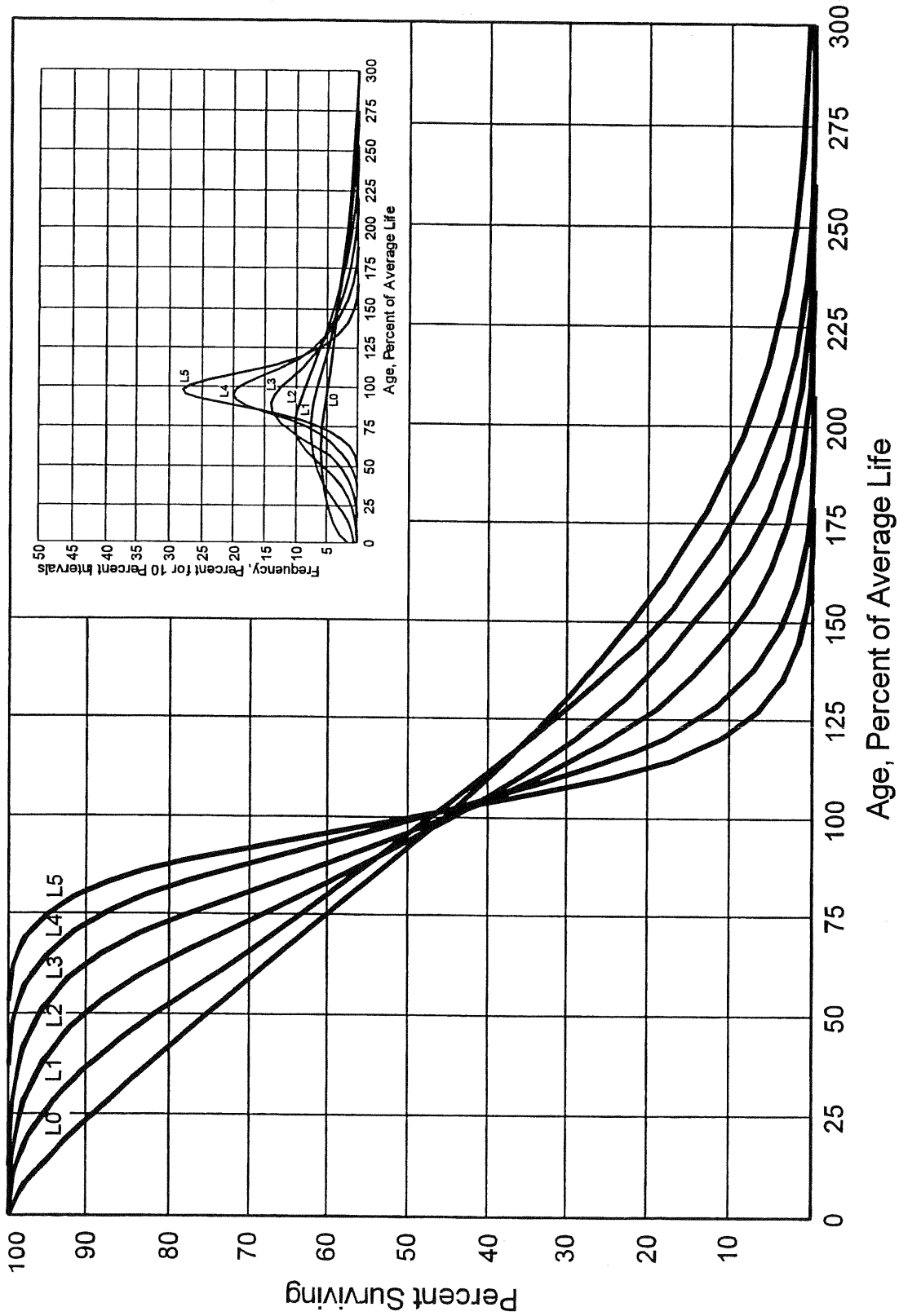


Figure 2. Left Modal or "L" Type Survivor Curves

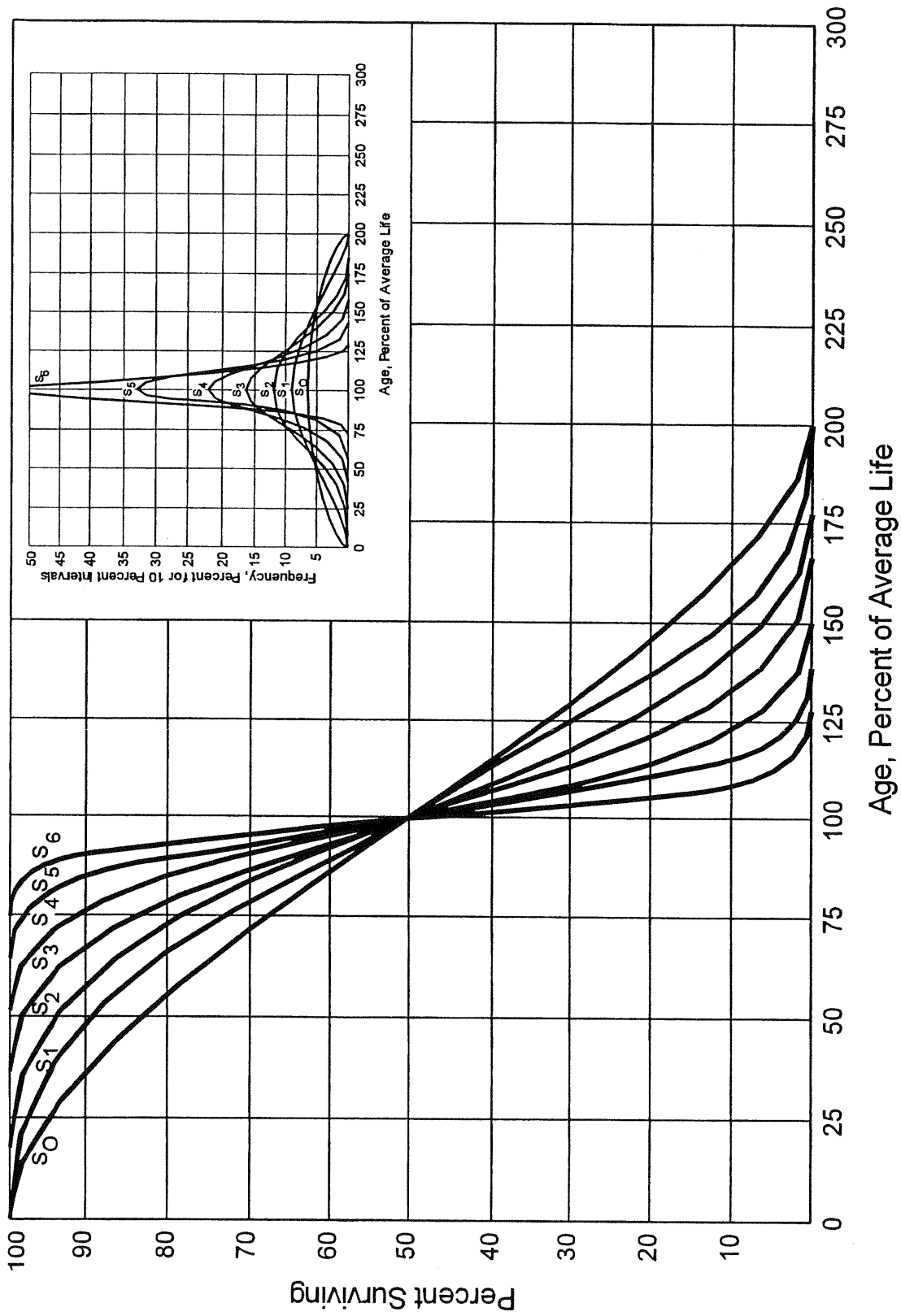


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

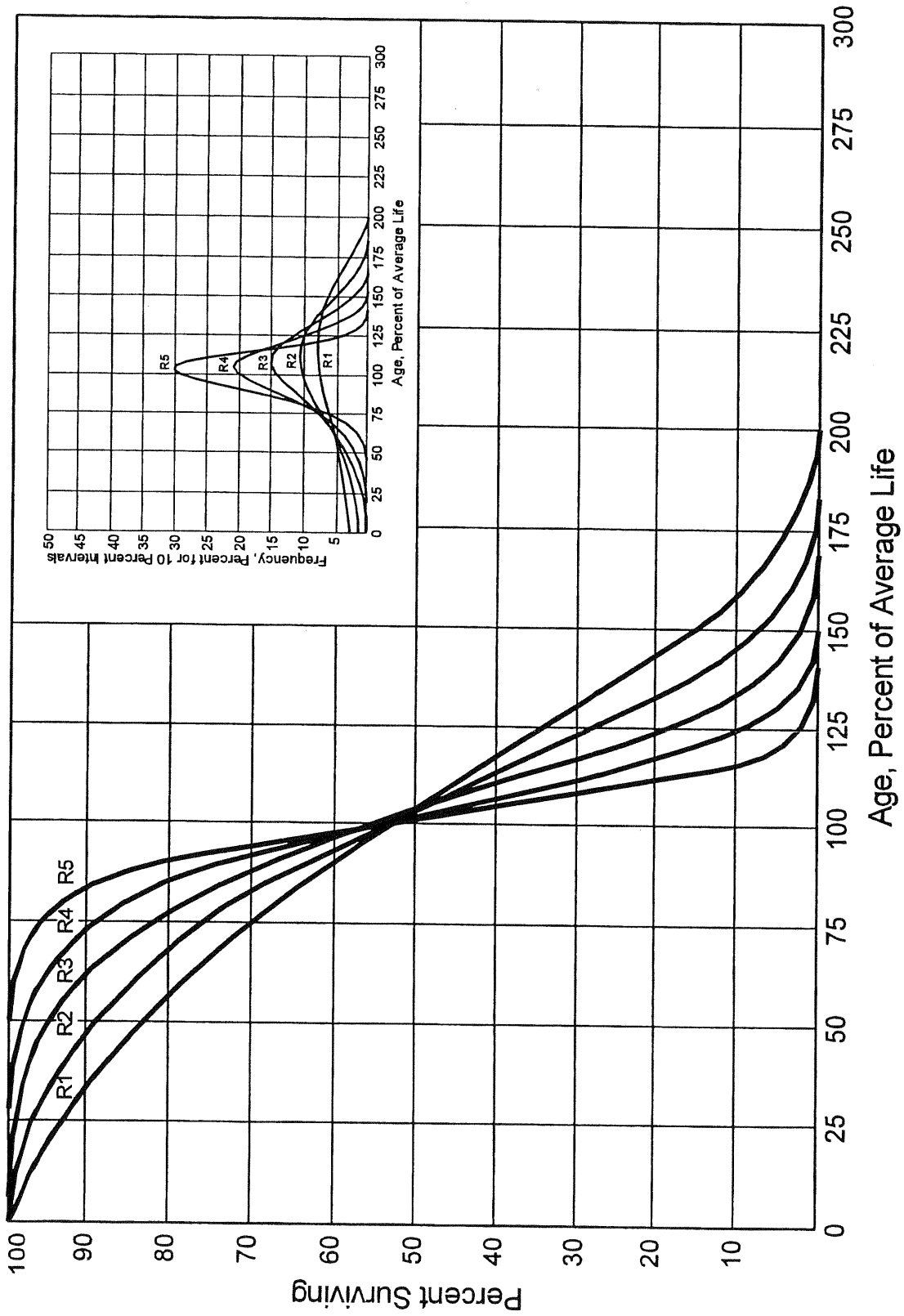


Figure 4. Right Modal or "R" Iowa Type Survivor Curves



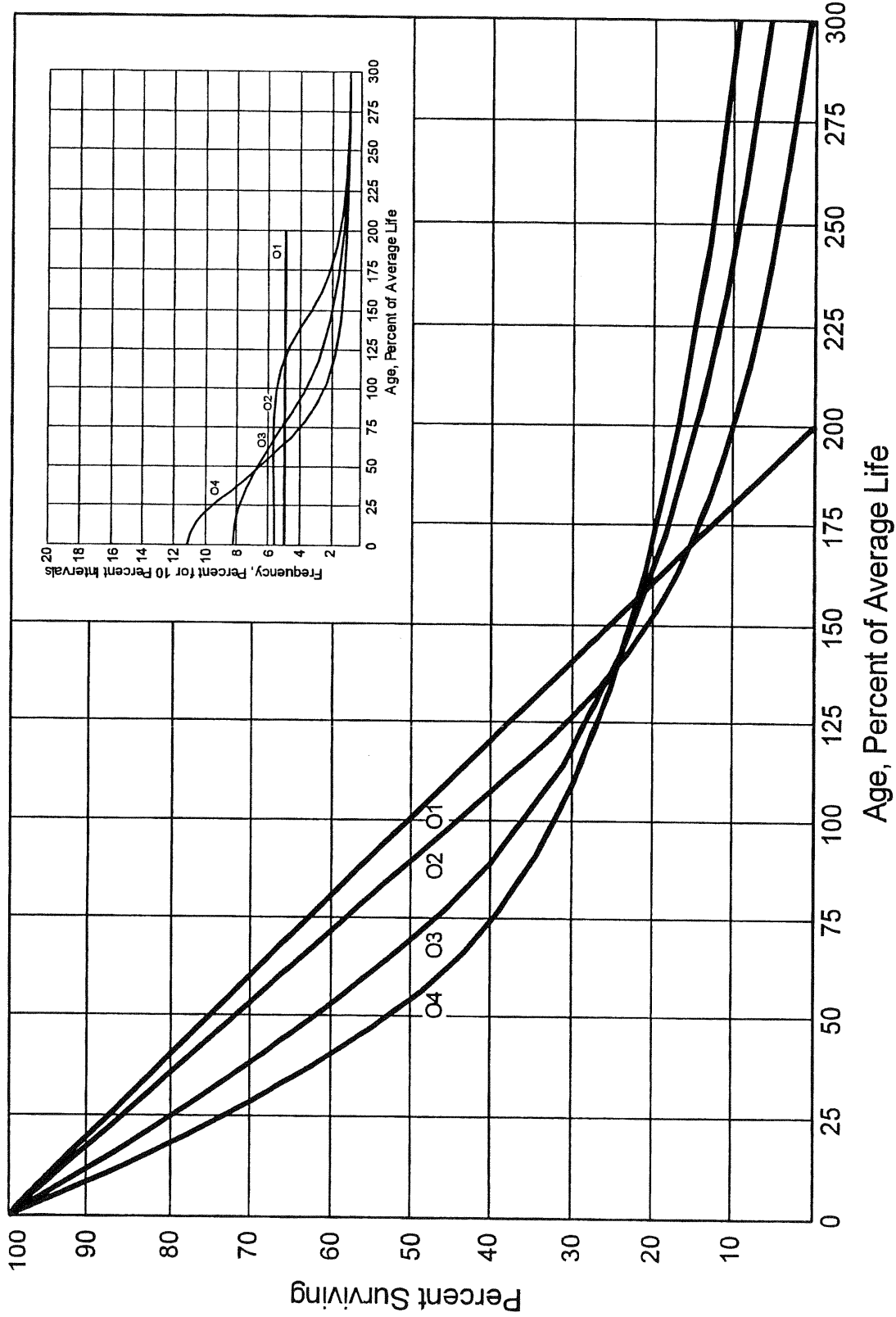


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

bulletins and in the text, "Engineering Valuation and Depreciation."<sup>2</sup> In 1957, Frank V. B.Couch, Jr., an Iowa State College graduate student, submitted a thesis<sup>3</sup> presenting his development of the fourth family consisting of the four O type survivor curves.

#### Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available or for which aged accounting experience is developed by statistically aging unaged amounts and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"<sup>4</sup> "Engineering Valuation and Depreciation,"<sup>5</sup> and "Depreciation Systems."<sup>6</sup>

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the

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<sup>2</sup>Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

<sup>3</sup>Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

<sup>4</sup>Winfrey, Robley, Supra Note 1.

<sup>5</sup>Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

<sup>6</sup>Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 1993-2002 during which there were placements during the years 1988-2002. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-12 and II-13. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1988 were retired in 1993. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age

TABLE 1. RETIREMENTS FOR EACH YEAR 1993-2002  
SUMMARIZED BY AGE INTERVAL

Experience Band 1993-2002

Placement Band 1988-2002

Retirements, Thousands of Dollars													
Year Placed	During Year											Total During Age Interval (12)	Age Interval (13)
	1993 (2)	1994 (3)	1995 (4)	1996 (5)	1997 (6)	1998 (7)	1999 (8)	2000 (9)	2001 (10)	2002 (11)			
1988	10	11	12	13	14	16	23	24	25	26	26	13½-14½	
1989	11	12	13	15	16	18	20	21	22	19	44	12½-13½	
1990	11	12	13	14	16	17	19	21	22	18	64	11½-12½	
1991	8	9	10	11	11	13	14	15	16	17	83	10½-11½	
1992	9	10	11	12	13	14	16	17	19	20	93	9½-10½	
1993	4	9	10	11	12	13	14	15	16	20	105	8½-9½	
1994		5	11	12	13	14	15	16	18	20	113	7½-8½	
1995			6	12	13	15	16	17	19	19	124	6½-7½	
1996				6	13	15	16	17	19	19	131	5½-6½	
1997					7	14	16	17	19	20	143	4½-5½	
1998						8	18	20	22	23	146	3½-4½	
1999							9	20	22	25	150	2½-3½	
2000								11	23	25	151	1½-2½	
2001									11	24	153	½-1½	
2002	-	-	-	-	-	-	-	-	-	13	80	0-½	
Total	53	68	86	106	128	157	196	231	273	308	1,606		

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 1993-2002  
SUMMARIZED BY AGE INTERVAL

Experience Band 1993-2002												Placement Band 1988-2002											
Acquisitions, Transfers, and Sales, Thousands of Dollars																							
Year Placed (1)	During Year											Total During Age Interval (12)	Age Interval (13)										
	1993 (2)	1994 (3)	1995 (4)	1996 (5)	1997 (6)	1998 (7)	1999 (8)	2000 (9)	2001 (10)	2002 (11)													
1988	-	-	-	-	-	-	60 <sup>a</sup>	-	-	-	-	-	13½-14½										
1989	-	-	-	-	-	-	-	-	-	-	-	-	12½-13½										
1990	-	-	-	-	-	-	-	-	-	-	-	-	11½-12½										
1991	-	-	-	-	-	-	-	(5) <sup>b</sup>	-	-	-	60	10½-11½										
1992	-	-	-	-	-	-	-	6 <sup>a</sup>	-	-	-	-	9½-10½										
1993	-	-	-	-	-	-	-	-	-	-	(5)	-	8½-9½										
1994	-	-	-	-	-	-	-	-	-	-	6	-	7½-8½										
1995	-	-	-	-	-	-	-	-	-	-	-	-	6½-7½										
1996	-	-	-	-	-	-	-	(12) <sup>b</sup>	-	-	-	-	5½-6½										
1997	-	-	-	-	-	-	-	-	22 <sup>a</sup>	-	-	-	4½-5½										
1998	-	-	-	-	-	-	-	(19) <sup>b</sup>	-	-	10	-	3½-4½										
1999	-	-	-	-	-	-	-	-	-	-	-	-	2½-3½										
2000	-	-	-	-	-	-	-	-	-	(102) <sup>c</sup>	(121)	-	1½-2½										
2001	-	-	-	-	-	-	-	-	-	-	-	-	½-1½										
2002	-	-	-	-	-	-	-	-	-	-	-	-	0-½										
Total	=	=	=	=	=	=	60	(30)	22	(102)	(50)												

<sup>a</sup> Transfer Affecting Exposures at Beginning of Year.

<sup>b</sup> Transfer Affecting Exposures at End of Year.

<sup>c</sup> Sale with Continued Use.

Parentheses denote Credit amount.

interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Table 1 immediately above the staircase line drawn on the table beginning with the 1993 retirements of 1988 installations and ending with the 2002 retirements of the 1996 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-15.

The surviving plant at the beginning of each year from 1993 through 2002 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus,

TABLE 3. PLANT EXPOSED TO RETIREMENT JANUARY 1  
OF EACH YEAR 1993-2002 SUMMARIZED BY AGE INTERVAL

Experience Band 1993-2002

Placement Band 1988-2002

Year Placed	Exposures, Thousands of Dollars										Total at Beginning of Age Interval (12)	Age Interval (13)
	Annual Survivors at the Beginning of the Year											
	1993 (2)	1994 (3)	1995 (4)	1996 (5)	1997 (6)	1998 (7)	1999 (8)	2000 (9)	2001 (10)	2002 (11)		
1988	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1989	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1990	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1991	338	330	321	311	300	289	276	262	242	226	823	10½-11½
1992	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
1993	420 <sup>a</sup>	416	407	397	386	374	361	347	332	316	1,503	8½-9½
1994		460 <sup>a</sup>	455	444	432	419	405	390	374	356	1,952	7½-8½
1995			510 <sup>a</sup>	504	492	479	464	448	431	412	2,463	6½-7½
1996				580 <sup>a</sup>	574	561	546	530	501	482	3,057	5½-6½
1997					660 <sup>a</sup>	653	639	623	628	609	3,789	4½-5½
1998						750 <sup>a</sup>	742	724	685	663	4,332	3½-4½
1999							850 <sup>a</sup>	841	821	799	4,955	2½-3½
2000								960 <sup>a</sup>	949	926	5,719	1½-2½
2001									1,080 <sup>a</sup>	1,069	6,579	½-1½
2002										1,220 <sup>a</sup>	7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

<sup>a</sup> Additions during the year.

the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 1997 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age ½	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age 1½	= \$742,000 - \$18,000	= \$724,000
Exposures at age 2½	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age 3½	= \$685,000 - \$22,000	= \$663,000

For the entire experience band 1993-2002, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table. The original life table, illustrated in Table 4 on page II-17, is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retire-



TABLE 4. ORIGINAL LIFE TABLE  
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 1993-2002

Placement Band 1988-2002

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval (1)	Exposures at Beginning of Age Interval (2)	Retirements During Age Interval (3)	Retirement Ratio (4)	Survivor Ratio (5)	Percent Surviving at Beginning of Age Interval (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
					35.66
Total	<u>44,780</u>	<u>1,606</u>			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.

Column 3 from Table 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 divided by Column 2.

Column 5 = 1.0000 minus Column 4.

Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

ment ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15	
Exposures at age 4½	=	3,789,000	
Retirements from age 4½ to 5½	=	143,000	
Retirement Ratio	=	143,000 ÷ 3,789,000	= 0.0377
Survivor Ratio	=	1.000 - 0.0377	= 0.9623
Percent surviving at age 5½	=	(88.15) x (0.9623)	= 84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

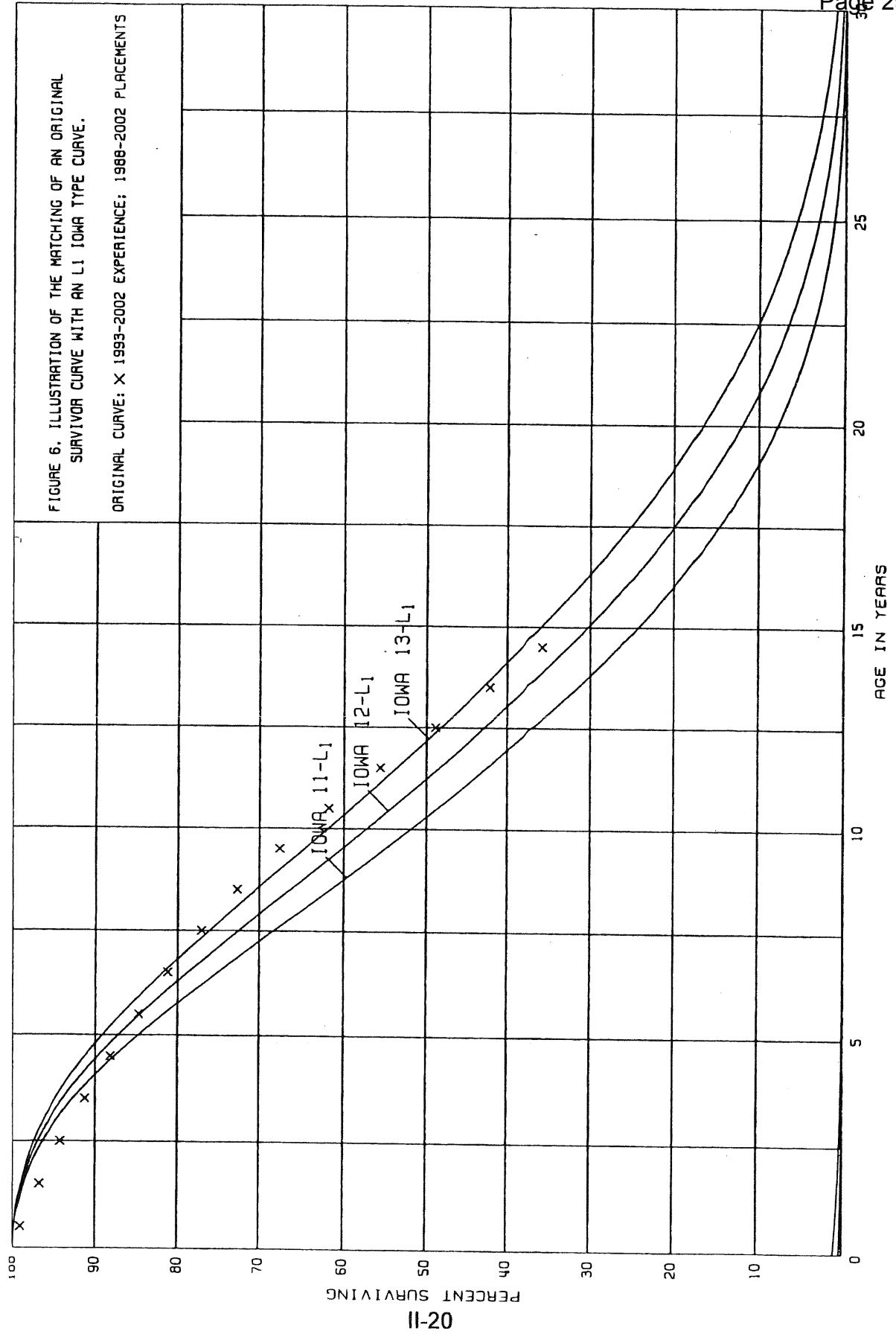
The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

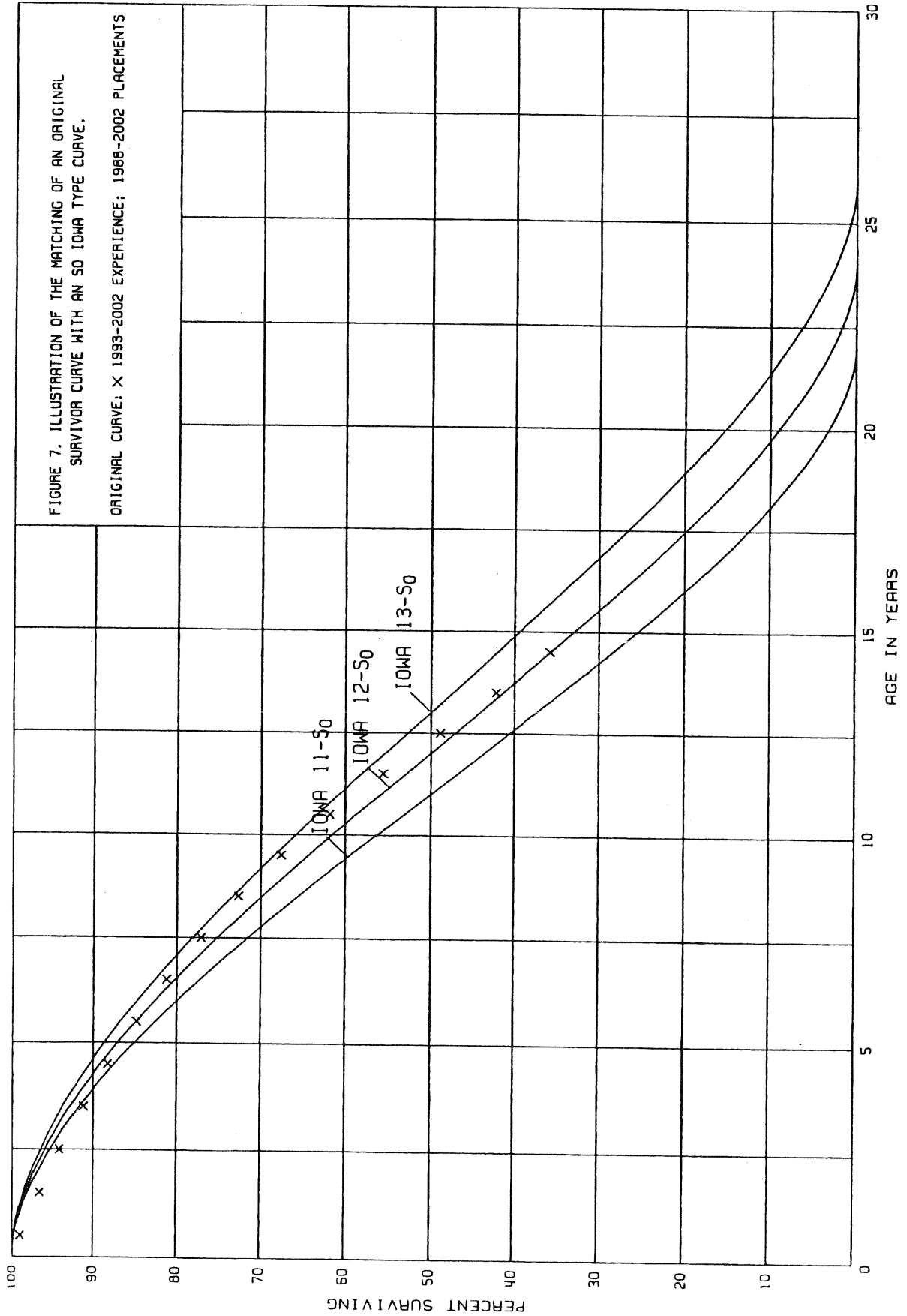
Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

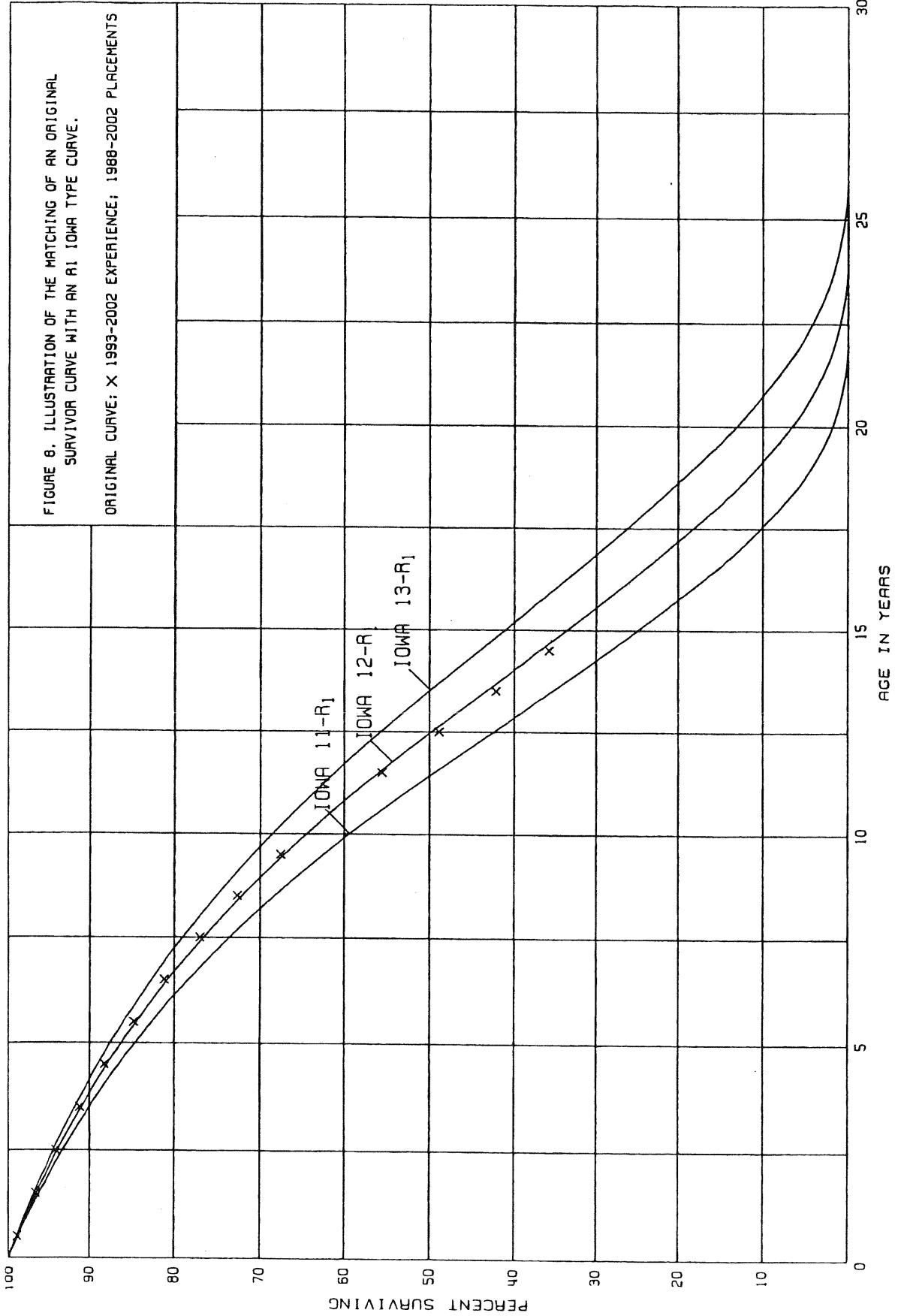
The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0. In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group, assuming no contrary relevant factors external to the analysis of historical data.

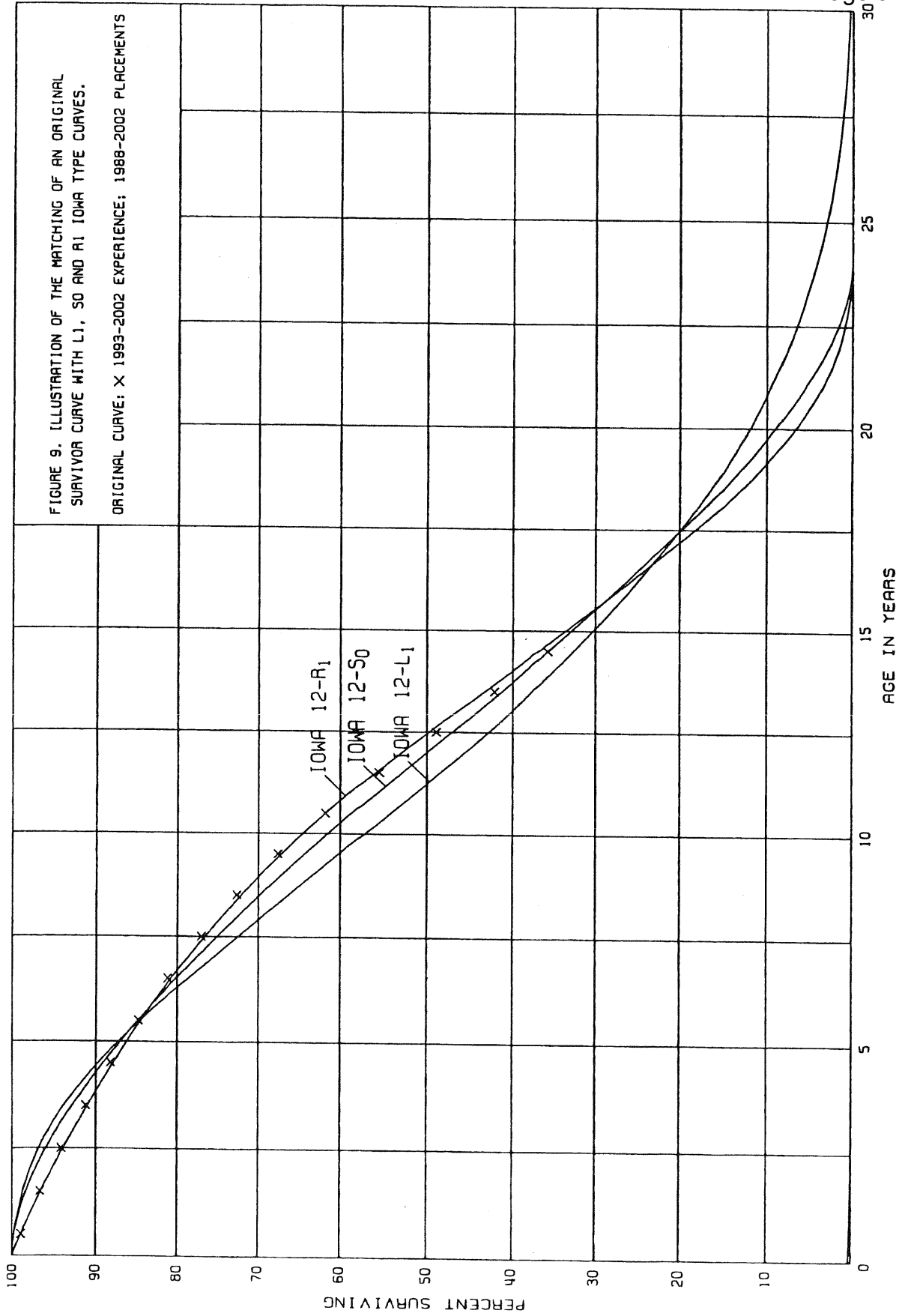
#### Service Life Considerations

The service life estimates were based on judgment which considered a number of factors. The primary factors were the statistical analyses of data; current Company policies and outlook as determined during conversations with management; and the survivor curve estimates from previous studies of this company and other electric utility companies.









For 3 of the 8 plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses using the retirement rate method resulted in good to excellent indications of the survivor patterns experienced. These accounts represent 53 percent of depreciable plant. Generally, the information external to the statistics led to no significant departure from the indicated survivor curves for the accounts listed below. The statistical support for the service life estimates is presented in the section beginning on page III-5.

#### ELECTRIC PLANT

##### Transmission Plant

353.00	Station Equipment
355.00	Poles and Fixtures
356.00	Overhead Conductors and Devices

Plant Account 353.00, Station Equipment, is used to illustrate the manner in which the study was conducted for the groups in the preceding list. Aged plant accounting data have been compiled for the years 1991 through 2002. The retirements are aged each year based on an established survivor curve. These data have been coded in the course of the Company's normal record keeping according to account or property group, type of transaction, year in which the transaction took place, and year in which the electric plant was placed in service. The retirements, other plant transactions, and plant additions were analyzed by the retirement rate method.

The survivor curve estimate is based on the statistical indications for the period 1991 through 2002. The Iowa 37-R2 is an excellent fit of the original survivor curve. The 37-year service life is within the typical service life range of 25 to 50 years for station equipment. The previous estimate was the Iowa 35-S3. The 37-year life reflects the Company's



continued efforts to maintain facilities and the Company's opinion that station equipment is built today with capacity growth and higher technological requirements in mind.

The survivor curve estimates for the remaining accounts were based on judgment incorporating the statistical analyses and previous studies for this and other electric utilities.

#### Salvage Analysis

The estimates of net salvage by account were based in part on historical data by function compiled for the period 1992 through 2002. Cost of removal and salvage were recorded by function and analyzed as a percent of the original cost of plant retired during the period 1992 through 2002. Net salvage percentages were based on judgment incorporating previous studies for this and other electric utilities as well as the actual amount of cost of removal and gross salvage recorded during the period 1992 through 2002.

#### Net Salvage Considerations

The estimates of future net salvage are expressed as percentages of surviving plant in service, i.e., all future retirements. In cases in which removal costs are expected to exceed salvage receipts, a negative net salvage percentage is estimated. The net salvage estimates were based on judgment which incorporated expectations with respect to future removal requirements and markets for retired equipment and materials.

The analyses of historical cost of removal and salvage data by account are presented in the section titled "Net Salvage Statistics".

## CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

After the survivor curve and salvage are estimated, the annual depreciation accrual rate can be calculated. In the average service life procedure, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate, Percent} = \frac{(100\% - \text{Net Salvage, Percent})}{\text{Average Service Life}}$$

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which will not be allocated to expense through future depreciation accruals if current forecasts of life characteristics are used as a basis for straight line depreciation accounting.

The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account, based upon the attained age and the estimated survivor curve. The accrued depreciation ratios are calculated as follows:

$$\text{Ratio} = \left(1 - \frac{\text{Average Remaining Life Expectancy}}{\text{Average Service Life}}\right) (1 - \text{Net Salvage, Percent}).$$

The application of these procedures is described for a single unit of property and a group of property units. Salvage is omitted from the description for ease of application.

### Single Unit of Property

The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000 \left(1 - \frac{6}{10}\right) = \$400.$$

#### Group Depreciation Procedures

When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

Remaining Life Annual Accruals. For the purpose of calculating remaining life accruals as of December 31, 2002, the depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation follow. The detailed calculations as of December 31, 2002, are set forth in the Results of Study section of the report.

Average Service Life Procedure. In the average service life procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life of the vintage. The average remaining life is a directly weighted average derived from the estimated future survivor curve in accordance with the average service life procedure.

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which would not be allocated to expense through future depreciation accruals, if current forecasts of life characteristics are used as the basis for such accruals. The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account, based upon

the attained age and service life. The straight line accrued depreciation ratios are calculated as follows for the average service life procedure:

$$\text{Ratio} = 1 - \frac{\text{Average Remaining Life}}{\text{Average Service Life}}.$$

III-1

### PART III. RESULTS OF STUDY

## PART III. RESULTS OF STUDY

### QUALIFICATION OF RESULTS

The calculated annual depreciation accrual rates are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates were calculated in accordance with the straight line remaining life method of depreciation using the annual service life procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

The annual depreciation accrual rates are applicable specifically to the electric transmission plant in service as of December 31, 2002. For most plant accounts, the application of such rates to future balances that reflect additions subsequent to December 31, 2002, is reasonable for a period of three to five years.

### DESCRIPTION OF STATISTICAL SUPPORT

The service life and salvage estimates were based on judgment which incorporated statistical analyses of retirement data, discussions with management and consideration of estimates made for other electric utility companies. The results of the statistical analyses of service life are presented in the section titled "Service Life Statistics".

The estimated survivor curves for each account are presented in graphical form. The charts depict the estimated smooth survivor curve and original survivor curve(s), when applicable, related to each specific group. For groups where the original survivor curve was plotted, the calculation of the original life table is also presented.

The analyses of salvage data are presented in the section titled, "Net Salvage Statistics". The tabulations present annual cost of removal and salvage data, three-year moving averages and the most recent five-year average. Data are shown in dollars and as percentages of original costs retired.

#### DESCRIPTION OF DEPRECIATION TABULATIONS

A summary of the results of the study, as applied to the original cost of electric transmission plant as of December 31, 2002, is presented on page III-4 of this report. The schedule sets forth the original cost, the book reserve, future accruals, the calculated annual depreciation rate and amount, and the composite remaining life related to electric transmission plant.

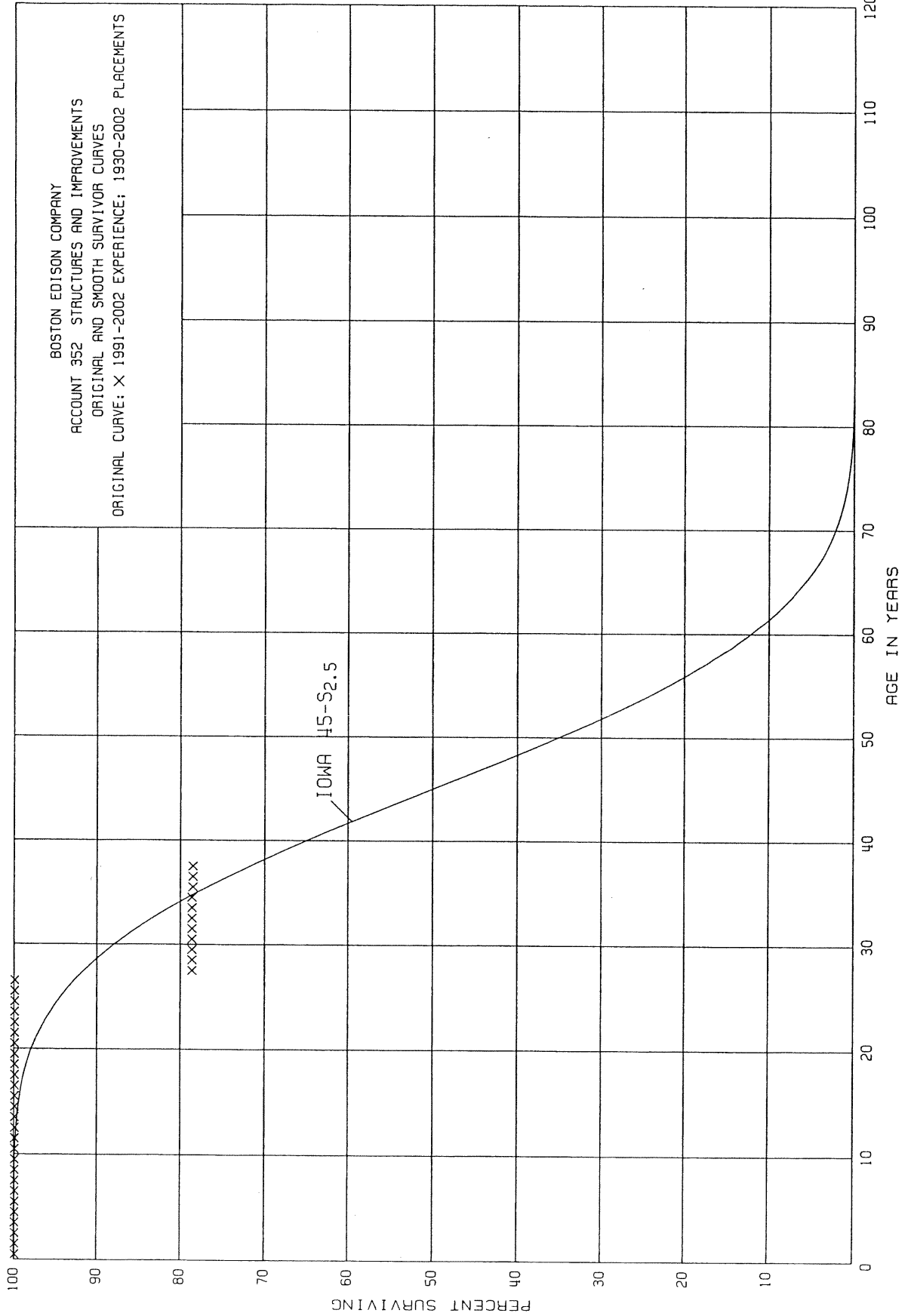
The tables of the calculated annual depreciation accruals are presented in account sequence in the section titled "Depreciation Calculations." The tables indicate the estimated survivor curve and salvage percent for the account and set forth, for each installation year, the original cost, the calculated accrued depreciation, the allocated book reserve, future accruals, the remaining life and the calculated annual accrual amount.

BOSTON EDISON COMPANY  
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED  
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2002

	ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED		COMPOSITE REMAINING LIFE (9)=(6)/(8)
							RATE (7)=(8)/(4)	ANNUAL ACCRUAL AMOUNT (8)	
TRANSMISSION PLANT									
3500	LAND AND LAND RIGHTS	NONDEPRECIABLE		15,101,922.22					
3520	STRUCTURES AND IMPROVEMENTS	45-S2.5	(10)	45,617,030.58	16,575,655	33,603,081	2.42	1,106,044	30.4
3530	STATION EQUIPMENT	37-R2	(15)	225,999,575.20	58,829,103	201,070,406	3.08	6,962,566	28.9
3540	TOWERS AND FIXTURES	55-R3	(25)	31,502,895.48	17,766,804	21,611,815	2.25	707,649	30.5
3550	POLES AND FIXTURES	50-R2.5	(25)	25,974,237.87	4,666,855	27,800,940	2.49	647,052	43.0
3560	OVERHEAD CONDUCTORS AND DEVICES	45-R2.5	(10)	29,545,961.66	10,755,729	21,744,830	2.42	715,748	30.4
3570	UNDERGROUND CONDUIT	50-R3	(15)	5,377,407.60	2,495,569	3,688,448	2.28	122,453	30.1
3580	UNDERGROUND CONDUCTORS AND DEVICES	50-R3	(20)	152,094,513.15	62,543,152	119,970,261	2.38	3,618,739	33.2
3590	ROADS AND TRAILS	55-R3	0	1,363,384.96	404,962	958,422	1.81	24,611	38.9
TOTAL TRANSMISSION PLANT									
				532,576,928.72	174,037,829	430,448,203	2.61	13,904,862	



## SERVICE LIFE STATISTICS



BOSTON EDISON COMPANY  
ACCOUNT 352 STRUCTURES AND IMPROVEMENTS  
ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2002

EXPERIENCE BAND 1991-2002

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,251,611	16	0.0000	1.0000	100.00
0.5	6,726,012		0.0000	1.0000	100.00
1.5	5,679,759		0.0000	1.0000	100.00
2.5	35,258,315	7,502	0.0002	0.9998	100.00
3.5	34,948,232		0.0000	1.0000	99.98
4.5	36,053,996	8	0.0000	1.0000	99.98
5.5	36,140,209	5	0.0000	1.0000	99.98
6.5	36,452,747	1	0.0000	1.0000	99.98
7.5	36,440,353	1	0.0000	1.0000	99.98
8.5	33,300,332	1,347	0.0000	1.0000	99.98
9.5	33,299,684	15	0.0000	1.0000	99.98
10.5	32,953,626	65	0.0000	1.0000	99.98
11.5	32,922,139	6	0.0000	1.0000	99.98
12.5	32,911,259	25	0.0000	1.0000	99.98
13.5	32,878,928		0.0000	1.0000	99.98
14.5	4,926,043	3	0.0000	1.0000	99.98
15.5	4,647,253	1	0.0000	1.0000	99.98
16.5	3,579,029		0.0000	1.0000	99.98
17.5	3,496,181	23	0.0000	1.0000	99.98
18.5	4,001,519	1	0.0000	1.0000	99.98
19.5	4,002,443	1	0.0000	1.0000	99.98
20.5	4,003,955	708	0.0002	0.9998	99.98
21.5	4,369,780	6	0.0000	1.0000	99.96
22.5	4,597,756	12	0.0000	1.0000	99.96
23.5	4,466,872	1	0.0000	1.0000	99.96
24.5	4,553,592	323	0.0001	0.9999	99.96
25.5	4,703,285		0.0000	1.0000	99.95
26.5	1,778,209	380,065	0.2137	0.7863	99.95
27.5	1,408,814	208	0.0001	0.9999	78.59
28.5	1,409,408	144	0.0001	0.9999	78.58
29.5	1,453,624	6	0.0000	1.0000	78.57
30.5	1,202,995	74	0.0001	0.9999	78.57
31.5	1,264,897	136	0.0001	0.9999	78.56
32.5	1,348,536	1	0.0000	1.0000	78.55
33.5	986,774	36	0.0000	1.0000	78.55
34.5	848,115	46	0.0001	0.9999	78.55
35.5	932,904	63	0.0001	0.9999	78.54
36.5	854,759	270	0.0003	0.9997	78.53
37.5	826,334	100	0.0001	0.9999	78.51
38.5	832,805	202	0.0002	0.9998	78.50

BOSTON EDISON COMPANY

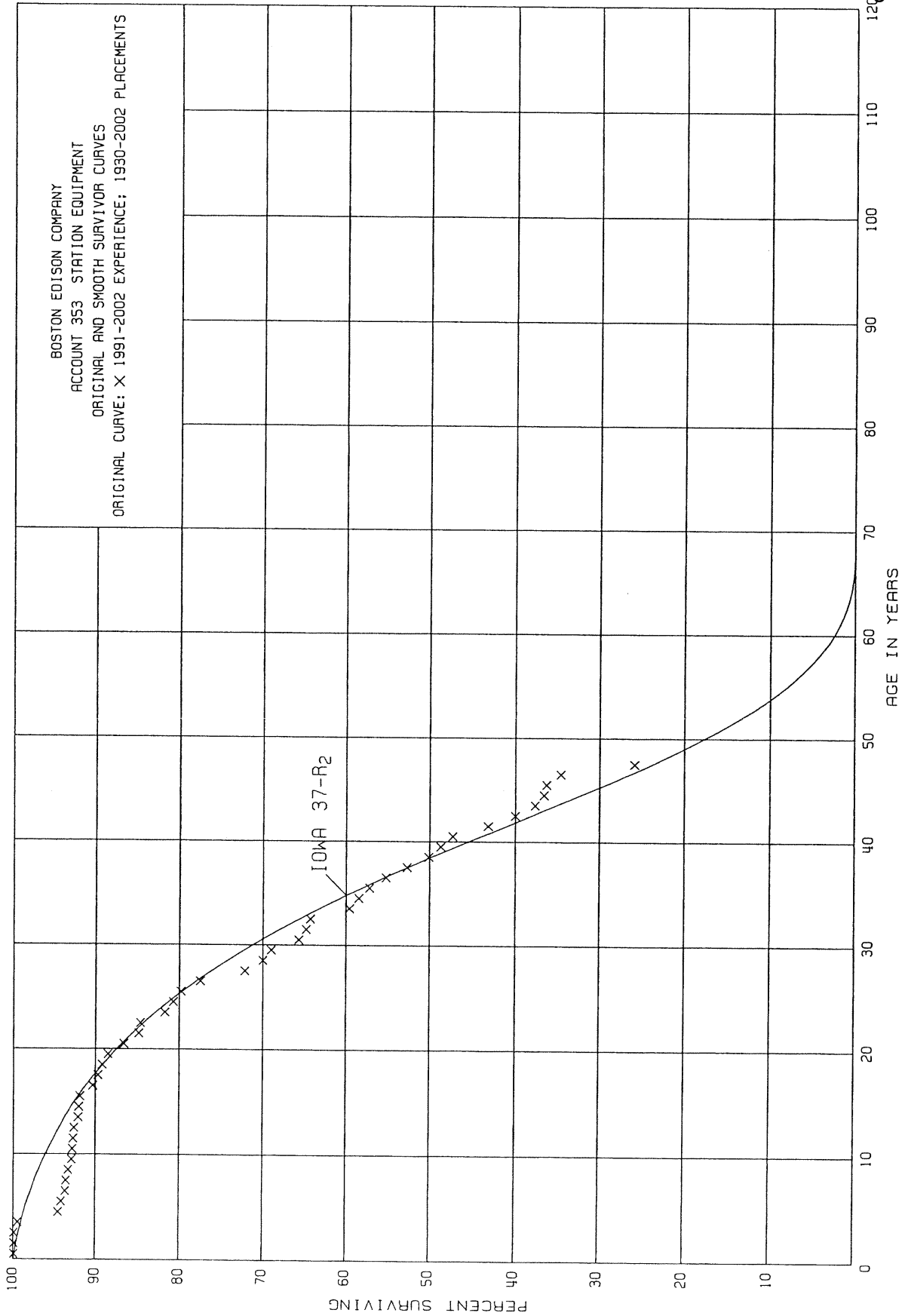
ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2002

EXPERIENCE BAND 1991-2002

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	836,805	23	0.0000	1.0000	78.48
40.5	798,560	194	0.0002	0.9998	78.48
41.5	784,095	216	0.0003	0.9997	78.46
42.5	622,800	40	0.0001	0.9999	78.44
43.5	559,960	4,181	0.0075	0.9925	78.43
44.5	444,988	23	0.0001	0.9999	77.84
45.5	433,196	123	0.0003	0.9997	77.83
46.5	341,310		0.0000	1.0000	77.81
47.5	247,957	129	0.0005	0.9995	77.81
48.5	231,981	107	0.0005	0.9995	77.77
49.5	103,773		0.0000	1.0000	77.73
50.5	96,292		0.0000	1.0000	77.73
51.5	58,688		0.0000	1.0000	77.73
52.5	58,688		0.0000	1.0000	77.73
53.5	25,425		0.0000	1.0000	77.73
54.5					77.73
55.5					
56.5					
57.5					
58.5					
59.5					
60.5	184,208		0.0000		
61.5	184,208		0.0000		
62.5	184,208		0.0000		
63.5	184,208		0.0000		
64.5	184,208		0.0000		
65.5	184,208		0.0000		
66.5	184,208	2,647	0.0144		
67.5	181,562		0.0000		
68.5	181,562		0.0000		
69.5	181,562		0.0000		
70.5	181,562		0.0000		
71.5	181,562		0.0000		
72.5					



BOSTON EDISON COMPANY

ACCOUNT 353 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2002

EXPERIENCE BAND 1991-2002

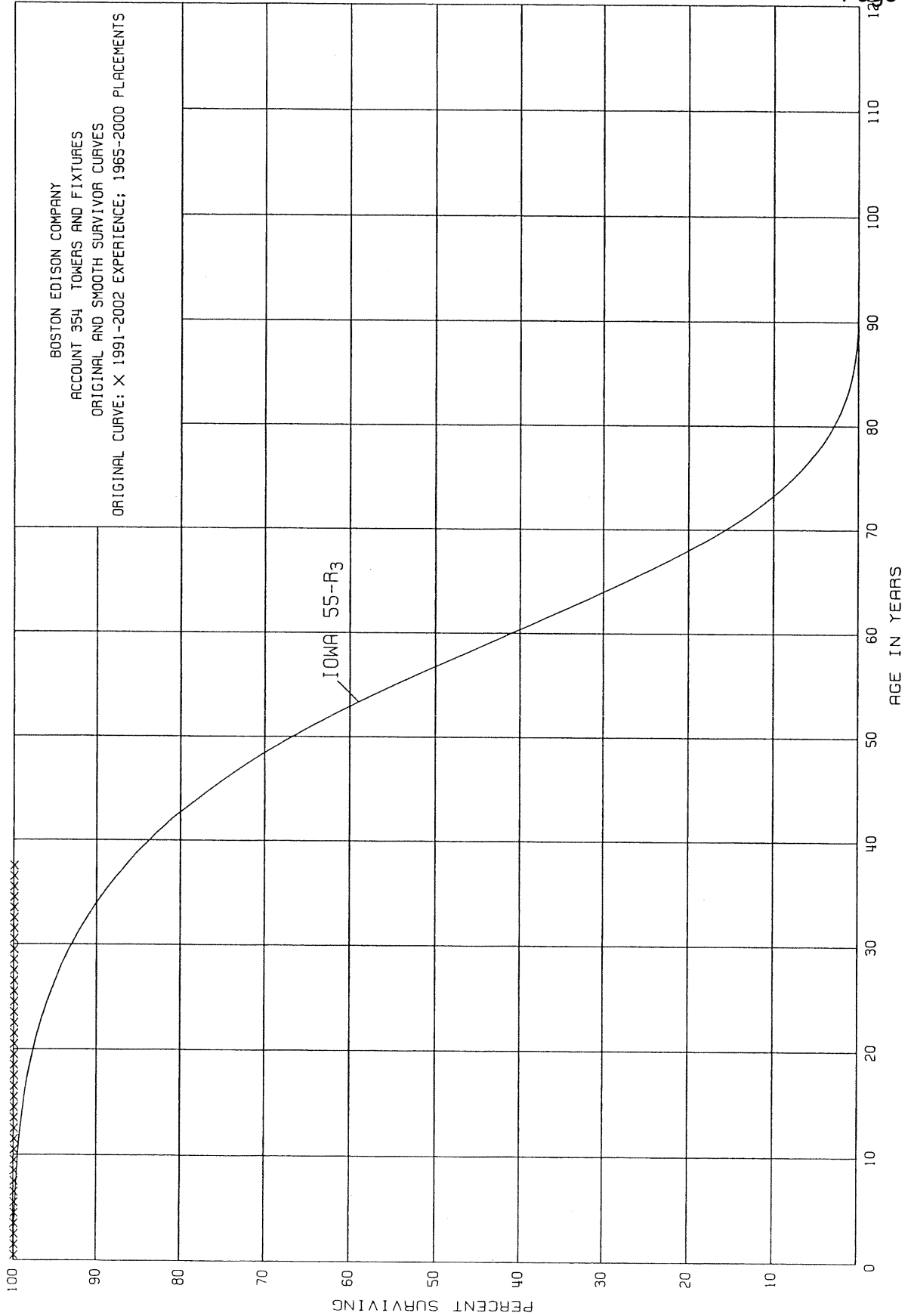
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	167,772,600	57,913	0.0003	0.9997	100.00
0.5	127,249,087	63,851	0.0005	0.9995	99.97
1.5	123,543,247	64,991	0.0005	0.9995	99.92
2.5	110,866,489	518,658	0.0047	0.9953	99.87
3.5	84,983,358	4,194,600	0.0494	0.9506	99.40
4.5	72,875,601	277,910	0.0038	0.9962	94.49
5.5	72,902,984	399,748	0.0055	0.9945	94.13
6.5	67,669,960	109,150	0.0016	0.9984	93.61
7.5	65,476,709	185,922	0.0028	0.9972	93.46
8.5	63,483,992	289,366	0.0046	0.9954	93.20
9.5	59,658,123	66,517	0.0011	0.9989	92.77
10.5	33,143,619	38,457	0.0012	0.9988	92.67
11.5	25,457,791	27,676	0.0011	0.9989	92.56
12.5	23,017,315	127,010	0.0055	0.9945	92.46
13.5	20,114,843	17,130	0.0009	0.9991	91.95
14.5	30,249,395	28,419	0.0009	0.9991	91.87
15.5	28,258,098	464,710	0.0164	0.9836	91.79
16.5	27,301,918	177,703	0.0065	0.9935	90.28
17.5	26,868,262	150,666	0.0056	0.9944	89.69
18.5	33,019,192	262,131	0.0079	0.9921	89.19
19.5	33,154,169	704,757	0.0213	0.9787	88.49
20.5	32,961,298	687,453	0.0209	0.9791	86.61
21.5	36,952,254	112,029	0.0030	0.9970	84.80
22.5	39,100,390	1,330,102	0.0340	0.9660	84.55
23.5	34,323,198	434,171	0.0126	0.9874	81.68
24.5	34,751,664	355,928	0.0102	0.9898	80.65
25.5	34,933,693	1,038,099	0.0297	0.9703	79.83
26.5	18,172,913	1,225,291	0.0674	0.9326	77.46
27.5	16,846,952	521,568	0.0310	0.9690	72.24
28.5	16,641,816	234,675	0.0141	0.9859	70.00
29.5	15,551,031	752,565	0.0484	0.9516	69.01
30.5	11,440,417	155,288	0.0136	0.9864	65.67
31.5	11,805,789	95,213	0.0081	0.9919	64.78
32.5	12,333,303	889,326	0.0721	0.9279	64.26
33.5	8,122,483	160,377	0.0197	0.9803	59.63
34.5	6,306,602	137,341	0.0218	0.9782	58.46
35.5	7,483,752	265,301	0.0355	0.9645	57.19
36.5	7,408,241	337,309	0.0455	0.9545	55.16
37.5	7,390,027	357,896	0.0484	0.9516	52.65
38.5	7,036,318	200,483	0.0285	0.9715	50.10

BOSTON EDISON COMPANY

ACCOUNT 353 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2002			EXPERIENCE BAND 1991-2002		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	6,383,458	185,840	0.0291	0.9709	48.67
40.5	5,759,473	492,886	0.0856	0.9144	47.25
41.5	7,424,720	549,527	0.0740	0.9260	43.21
42.5	6,782,790	408,258	0.0602	0.9398	40.01
43.5	5,817,944	172,604	0.0297	0.9703	37.60
44.5	4,862,475	35,377	0.0073	0.9927	36.48
45.5	4,772,588	227,429	0.0477	0.9523	36.21
46.5	4,377,995	1,083,863	0.2476	0.7524	34.48
47.5	2,693,774	664,173	0.2466	0.7534	25.94
48.5	1,550,776	177,993	0.1148	0.8852	19.54
49.5	1,043,780	14,045	0.0135	0.9865	17.30
50.5	990,118	853	0.0009	0.9991	17.07
51.5	980,444	33,492	0.0342	0.9658	17.05
52.5	944,420	131,207	0.1389	0.8611	16.47
53.5	240,544	52,891	0.2199	0.7801	14.18
54.5	64,488	457	0.0071	0.9929	11.06
55.5	52,434		0.0000	1.0000	10.98
56.5	52,434		0.0000	1.0000	10.98
57.5	52,434		0.0000	1.0000	10.98
58.5	52,434		0.0000	1.0000	10.98
59.5					10.98
60.5	4,032,777	41,736	0.0103		
61.5	3,991,041	163,886	0.0411		
62.5	3,827,155	136,692	0.0357		
63.5	3,690,463	69,755	0.0189		
64.5	3,620,708	1,626,070	0.4491		
65.5	1,994,638	997,319	0.5000		
66.5	997,319	498,660	0.5000		
67.5	498,660	6,785	0.0136		
68.5	491,874		0.0000		
69.5	491,874		0.0000		
70.5	491,874		0.0000		
71.5	491,874		0.0000		
72.5					





BOSTON EDISON COMPANY

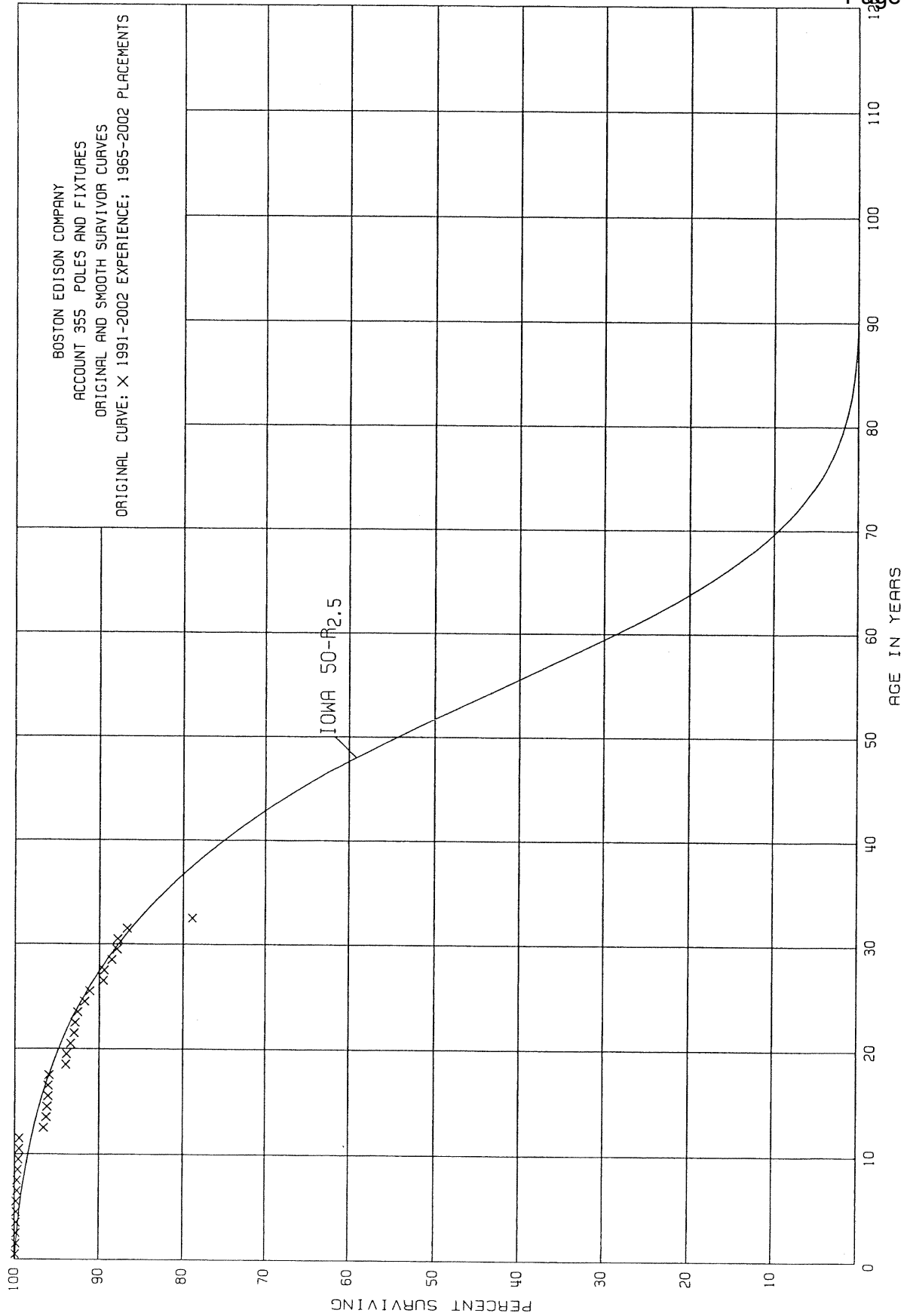
ACCOUNT 354 TOWERS AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2000

EXPERIENCE BAND 1991-2002

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,399,528		0.0000	1.0000	100.00
0.5	3,399,528		0.0000	1.0000	100.00
1.5	3,399,528		0.0000	1.0000	100.00
2.5	2,440,468		0.0000	1.0000	100.00
3.5	2,025,133		0.0000	1.0000	100.00
4.5	2,025,133		0.0000	1.0000	100.00
5.5	2,025,133		0.0000	1.0000	100.00
6.5	2,049,297		0.0000	1.0000	100.00
7.5	2,049,297		0.0000	1.0000	100.00
8.5	2,076,809		0.0000	1.0000	100.00
9.5	2,659,421		0.0000	1.0000	100.00
10.5	1,310,782		0.0000	1.0000	100.00
11.5	3,208,270		0.0000	1.0000	100.00
12.5	3,208,270		0.0000	1.0000	100.00
13.5	3,634,111		0.0000	1.0000	100.00
14.5	6,849,926		0.0000	1.0000	100.00
15.5	16,052,777		0.0000	1.0000	100.00
16.5	16,462,659		0.0000	1.0000	100.00
17.5	17,206,959		0.0000	1.0000	100.00
18.5	17,182,795		0.0000	1.0000	100.00
19.5	18,633,253		0.0000	1.0000	100.00
20.5	19,703,556		0.0000	1.0000	100.00
21.5	22,733,260		0.0000	1.0000	100.00
22.5	22,733,260		0.0000	1.0000	100.00
23.5	20,835,772		0.0000	1.0000	100.00
24.5	20,835,772		0.0000	1.0000	100.00
25.5	24,469,256		0.0000	1.0000	100.00
26.5	20,576,949		0.0000	1.0000	100.00
27.5	11,374,097		0.0000	1.0000	100.00
28.5	10,964,215		0.0000	1.0000	100.00
29.5	10,219,915		0.0000	1.0000	100.00
30.5	10,219,915		0.0000	1.0000	100.00
31.5	8,769,457		0.0000	1.0000	100.00
32.5	7,671,642		0.0000	1.0000	100.00
33.5	4,059,325		0.0000	1.0000	100.00
34.5	4,059,325		0.0000	1.0000	100.00
35.5	4,059,325		0.0000	1.0000	100.00
36.5	4,059,325		0.0000	1.0000	100.00
37.5					100.00



BOSTON EDISON COMPANY

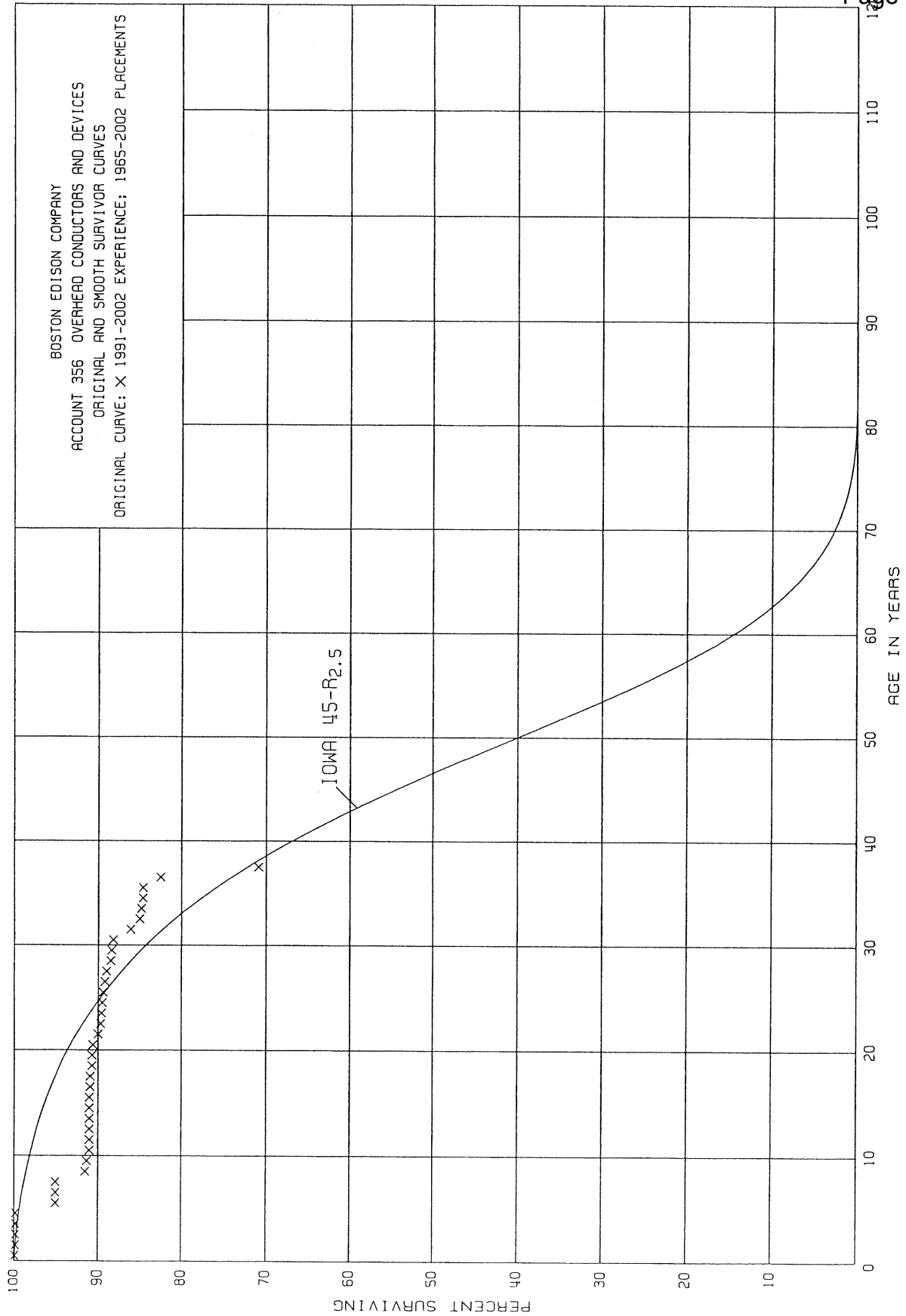
ACCOUNT 355 POLES AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2002

EXPERIENCE BAND 1991-2002

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	23,947,180	4,415	0.0002	0.9998	100.00
0.5	10,789,914	15,468	0.0014	0.9986	99.98
1.5	7,821,334	2,170	0.0003	0.9997	99.84
2.5	7,097,675	750	0.0001	0.9999	99.81
3.5	5,422,559	16	0.0000	1.0000	99.80
4.5	5,422,543	2,211	0.0004	0.9996	99.80
5.5	1,111,464	425	0.0004	0.9996	99.76
6.5	1,472,680	644	0.0004	0.9996	99.72
7.5	1,157,582	635	0.0005	0.9995	99.68
8.5	1,175,740	1,147	0.0010	0.9990	99.63
9.5	1,171,951	1,321	0.0011	0.9989	99.53
10.5	877,947	151	0.0002	0.9998	99.42
11.5	2,533,070	72,988	0.0288	0.9712	99.40
12.5	2,464,961	8,214	0.0033	0.9967	96.54
13.5	3,056,557	3,377	0.0011	0.9989	96.22
14.5	3,518,462	5,607	0.0016	0.9984	96.11
15.5	3,426,822	36	0.0000	1.0000	95.96
16.5	3,743,221	2,509	0.0007	0.9993	95.96
17.5	4,318,763	90,538	0.0210	0.9790	95.89
18.5	4,287,570	5,533	0.0013	0.9987	93.88
19.5	5,130,788	24,194	0.0047	0.9953	93.76
20.5	5,141,157	24,630	0.0048	0.9952	93.32
21.5	5,475,476	4,321	0.0008	0.9992	92.87
22.5	5,469,262	16,177	0.0030	0.9970	92.80
23.5	3,854,541	34,392	0.0089	0.9911	92.52
24.5	3,815,908	24,925	0.0065	0.9935	91.70
25.5	4,285,307	73,618	0.0172	0.9828	91.10
26.5	3,679,799	7,422	0.0020	0.9980	89.53
27.5	3,670,183	35,286	0.0096	0.9904	89.35
28.5	3,340,277	21,613	0.0065	0.9935	88.49
29.5	2,779,684	4,535	0.0016	0.9984	87.91
30.5	2,430,520	31,027	0.0128	0.9872	87.77
31.5	1,517,003	136,454	0.0899	0.9101	86.65
32.5	1,332,763	22,766	0.0171	0.9829	78.86
33.5	1,002,526	31,350	0.0313	0.9687	77.51
34.5	954,031		0.0000	1.0000	75.08
35.5	950,707		0.0000	1.0000	75.08
36.5	950,295	76,741	0.0808	0.9192	75.08
37.5					69.01



BOSTON EDISON COMPANY

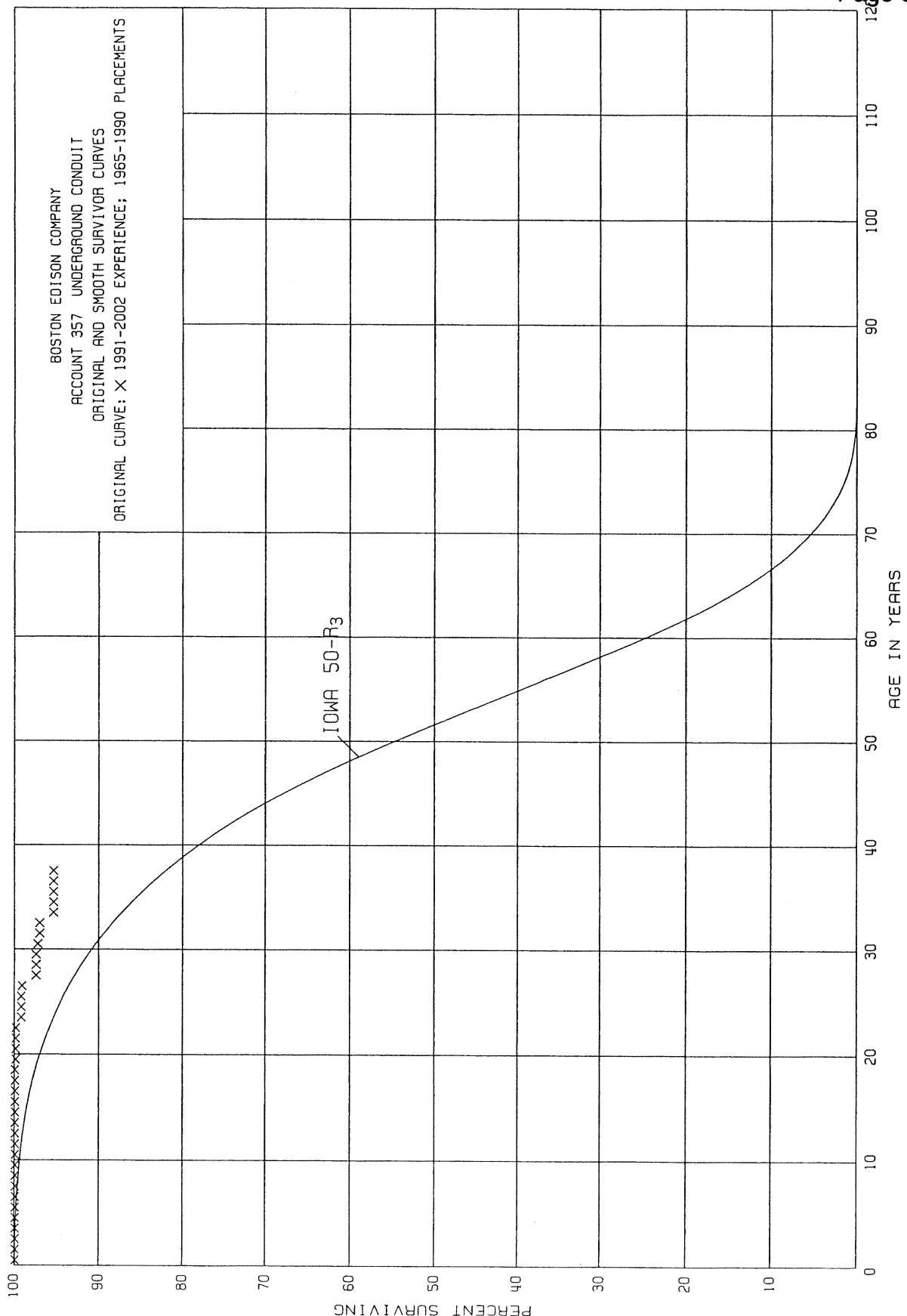
ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2002

EXPERIENCE BAND 1991-2002

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	12,619,187	11	0.0000	1.0000	100.00
0.5	12,038,152	26,575	0.0022	0.9978	100.00
1.5	9,151,894		0.0000	1.0000	99.78
2.5	7,362,816	109	0.0000	1.0000	99.78
3.5	2,747,358	4	0.0000	1.0000	99.78
4.5	2,747,354	130,666	0.0476	0.9524	99.78
5.5	2,656,477	20	0.0000	1.0000	95.03
6.5	2,885,109		0.0000	1.0000	95.03
7.5	2,888,264	108,602	0.0376	0.9624	95.03
8.5	2,597,996	3,341	0.0013	0.9987	91.46
9.5	3,484,891	11,660	0.0033	0.9967	91.34
10.5	2,655,454	10	0.0000	1.0000	91.04
11.5	5,206,117	176	0.0000	1.0000	91.04
12.5	5,321,663	2,441	0.0005	0.9995	91.04
13.5	5,977,311	45	0.0000	1.0000	90.99
14.5	6,739,377	244	0.0000	1.0000	90.99
15.5	9,840,420	6,962	0.0007	0.9993	90.99
16.5	10,164,403	210	0.0000	1.0000	90.93
17.5	10,758,648	25,200	0.0023	0.9977	90.93
18.5	11,103,826	1,795	0.0002	0.9998	90.72
19.5	12,243,990	8,080	0.0007	0.9993	90.70
20.5	12,943,929	94,253	0.0073	0.9927	90.64
21.5	13,359,197	48,140	0.0036	0.9964	89.98
22.5	13,702,842	6,227	0.0005	0.9995	89.66
23.5	11,172,007	11,167	0.0010	0.9990	89.62
24.5	11,049,391	11,489	0.0010	0.9990	89.53
25.5	11,855,420	35,266	0.0030	0.9970	89.44
26.5	9,785,822	24,663	0.0025	0.9975	89.17
27.5	6,582,194	31,522	0.0048	0.9952	88.95
28.5	6,225,132	10,644	0.0017	0.9983	88.52
29.5	5,591,699	8,863	0.0016	0.9984	88.37
30.5	5,005,176	119,086	0.0238	0.9762	88.23
31.5	3,883,793	52,756	0.0136	0.9864	86.13
32.5	3,112,214	6,624	0.0021	0.9979	84.96
33.5	1,816,879	3,355	0.0018	0.9982	84.78
34.5	1,425,277		0.0000	1.0000	84.63
35.5	1,424,945	36,354	0.0255	0.9745	84.63
36.5	1,387,049	193,889	0.1398	0.8602	82.47
37.5					70.94



BOSTON EDISON COMPANY

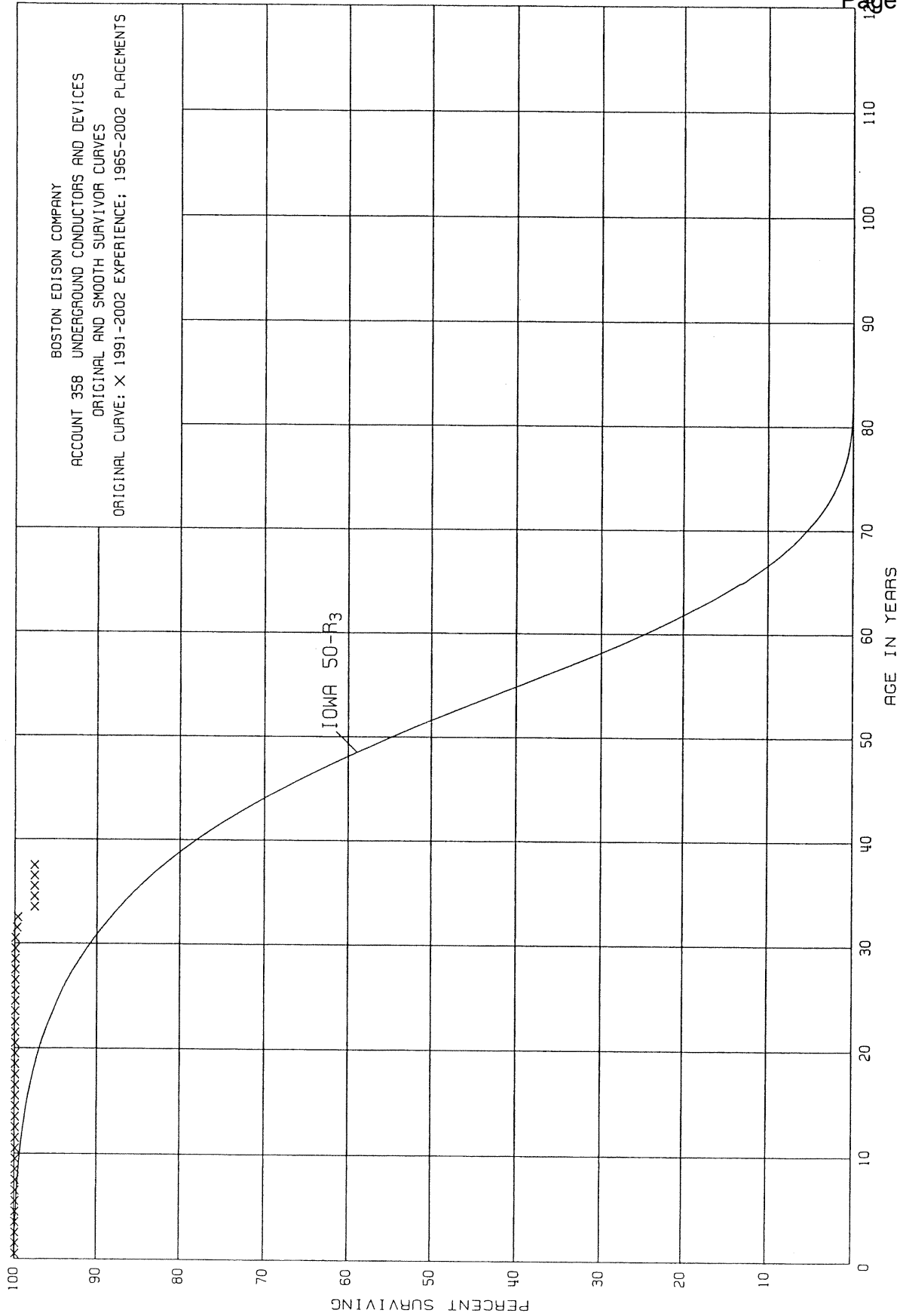
ACCOUNT 357 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-1990

EXPERIENCE BAND 1991-2002

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0					
0.5	2,321,599		0.0000	1.0000	100.00
1.5	2,321,599		0.0000	1.0000	100.00
2.5	2,321,599		0.0000	1.0000	100.00
3.5	2,321,599		0.0000	1.0000	100.00
4.5	2,321,599		0.0000	1.0000	100.00
5.5	2,321,599		0.0000	1.0000	100.00
6.5	2,321,599		0.0000	1.0000	100.00
7.5	2,321,599	3,254	0.0014	0.9986	100.00
8.5	2,318,346		0.0000	1.0000	99.86
9.5	2,318,346		0.0000	1.0000	99.86
10.5	2,318,346		0.0000	1.0000	99.86
11.5	2,411,027		0.0000	1.0000	99.86
12.5	92,681		0.0000	1.0000	99.86
13.5	141,887		0.0000	1.0000	99.86
14.5	285,705		0.0000	1.0000	99.86
15.5	2,638,025		0.0000	1.0000	99.86
16.5	2,684,129		0.0000	1.0000	99.86
17.5	2,684,129		0.0000	1.0000	99.86
18.5	2,761,516	531	0.0002	0.9998	99.86
19.5	2,764,834		0.0000	1.0000	99.84
20.5	2,764,834	349	0.0001	0.9999	99.84
21.5	2,770,701	1,129	0.0004	0.9996	99.83
22.5	2,825,097	20,401	0.0072	0.9928	99.79
23.5	2,761,754	442	0.0002	0.9998	99.07
24.5	2,764,962		0.0000	1.0000	99.05
25.5	2,975,547	900	0.0003	0.9997	99.05
26.5	2,831,959	48,646	0.0172	0.9828	99.02
27.5	499,990		0.0000	1.0000	97.32
28.5	454,329	96	0.0002	0.9998	97.32
29.5	454,233	946	0.0021	0.9979	97.30
30.5	376,799	921	0.0024	0.9976	97.10
31.5	372,078	75	0.0002	0.9998	96.87
32.5	372,003	5,908	0.0159	0.9841	96.85
33.5	359,975		0.0000	1.0000	95.31
34.5	305,397		0.0000	1.0000	95.31
35.5	257,109		0.0000	1.0000	95.31
36.5	253,534		0.0000	1.0000	95.31
37.5					95.31



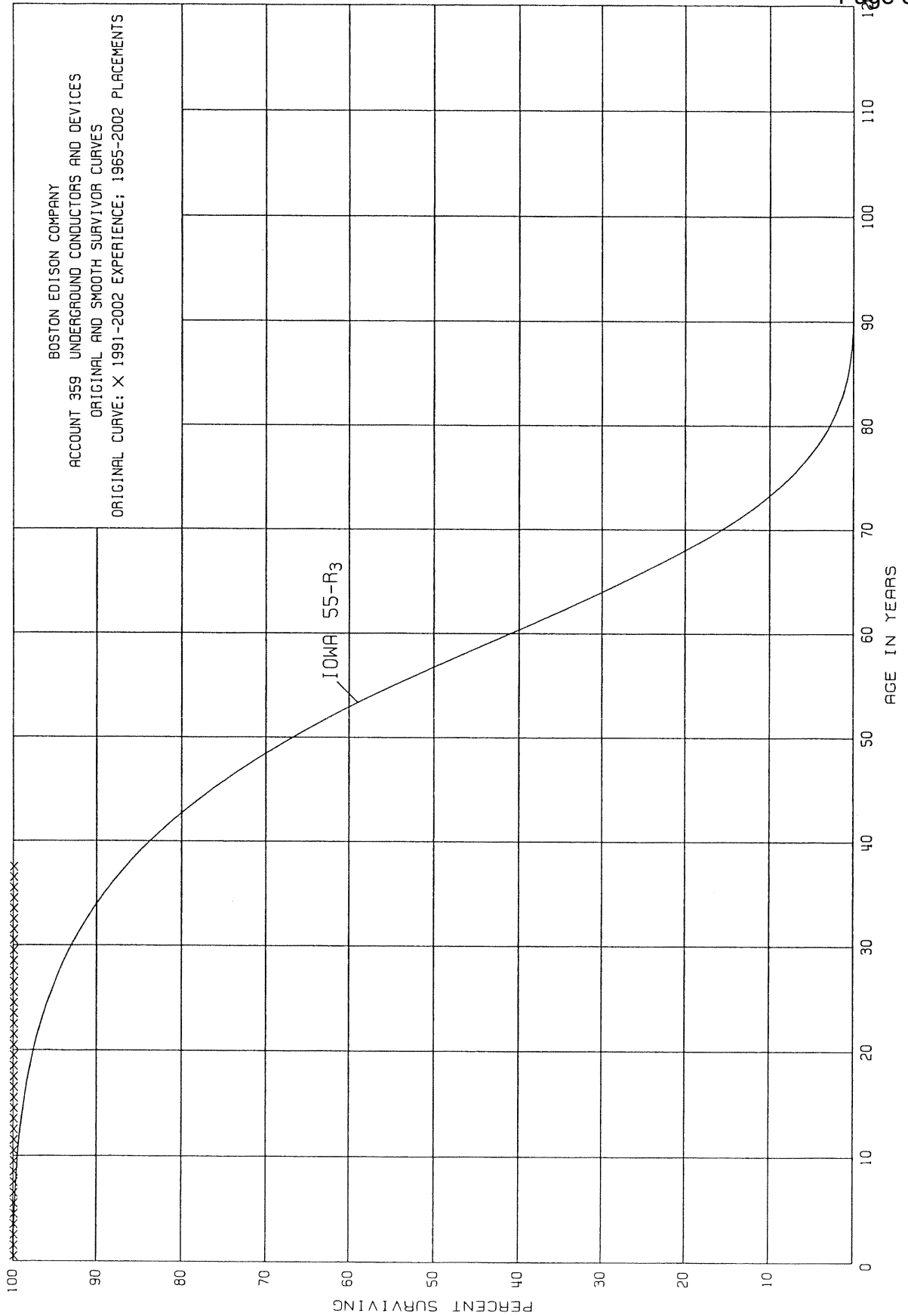


BOSTON EDISON COMPANY

ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2002			EXPERIENCE BAND 1991-2002		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	25,536,353		0.0000	1.0000	100.00
0.5	79,147,863		0.0000	1.0000	100.00
1.5	81,984,688		0.0000	1.0000	100.00
2.5	73,194,782		0.0000	1.0000	100.00
3.5	65,013,362		0.0000	1.0000	100.00
4.5	65,089,373		0.0000	1.0000	100.00
5.5	65,089,373		0.0000	1.0000	100.00
6.5	65,237,649		0.0000	1.0000	100.00
7.5	65,303,947		0.0000	1.0000	100.00
8.5	65,303,947		0.0000	1.0000	100.00
9.5	64,447,795		0.0000	1.0000	100.00
10.5	64,852,009		0.0000	1.0000	100.00
11.5	70,766,488		0.0000	1.0000	100.00
12.5	16,397,322		0.0000	1.0000	100.00
13.5	18,673,975		0.0000	1.0000	100.00
14.5	25,123,620		0.0000	1.0000	100.00
15.5	28,338,295		0.0000	1.0000	100.00
16.5	33,305,419		0.0000	1.0000	100.00
17.5	33,321,363		0.0000	1.0000	100.00
18.5	38,255,194		0.0000	1.0000	100.00
19.5	38,371,284		0.0000	1.0000	100.00
20.5	39,744,792		0.0000	1.0000	100.00
21.5	41,411,862		0.0000	1.0000	100.00
22.5	47,784,945	1	0.0000	1.0000	100.00
23.5	45,795,119	4	0.0000	1.0000	100.00
24.5	46,170,139		0.0000	1.0000	100.00
25.5	51,173,644	163	0.0000	1.0000	100.00
26.5	44,723,836	27	0.0000	1.0000	100.00
27.5	34,702,383	817	0.0000	1.0000	100.00
28.5	29,599,656	3,206	0.0001	0.9999	100.00
29.5	29,580,506	35,430	0.0012	0.9988	99.99
30.5	24,463,132	50,146	0.0020	0.9980	99.87
31.5	24,230,624	10,470	0.0004	0.9996	99.67
32.5	22,847,464	480,880	0.0210	0.9790	99.63
33.5	20,702,719		0.0000	1.0000	97.54
34.5	13,960,852		0.0000	1.0000	97.54
35.5	10,086,345		0.0000	1.0000	97.54
36.5	9,697,186		0.0000	1.0000	97.54
37.5					97.54



BOSTON EDISON COMPANY

ACCOUNT 359 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2002

EXPERIENCE BAND 1991-2002

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	567,284		0.0000	1.0000	100.00
0.5	448,416		0.0000	1.0000	100.00
1.5	480,190		0.0000	1.0000	100.00
2.5	335,902		0.0000	1.0000	100.00
3.5	173,732		0.0000	1.0000	100.00
4.5	163,466		0.0000	1.0000	100.00
5.5	163,466		0.0000	1.0000	100.00
6.5	194,773		0.0000	1.0000	100.00
7.5	194,773		0.0000	1.0000	100.00
8.5	234,406		0.0000	1.0000	100.00
9.5	234,406		0.0000	1.0000	100.00
10.5	160,497		0.0000	1.0000	100.00
11.5	160,497		0.0000	1.0000	100.00
12.5	160,497		0.0000	1.0000	100.00
13.5	128,723		0.0000	1.0000	100.00
14.5	128,723		0.0000	1.0000	100.00
15.5	483,410		0.0000	1.0000	100.00
16.5	483,410		0.0000	1.0000	100.00
17.5	483,410		0.0000	1.0000	100.00
18.5	452,103		0.0000	1.0000	100.00
19.5	512,339		0.0000	1.0000	100.00
20.5	518,919		0.0000	1.0000	100.00
21.5	524,919		0.0000	1.0000	100.00
22.5	524,919		0.0000	1.0000	100.00
23.5	524,919		0.0000	1.0000	100.00
24.5	524,919		0.0000	1.0000	100.00
25.5	630,021		0.0000	1.0000	100.00
26.5	630,021		0.0000	1.0000	100.00
27.5	217,551		0.0000	1.0000	100.00
28.5	217,551		0.0000	1.0000	100.00
29.5	217,551		0.0000	1.0000	100.00
30.5	217,551		0.0000	1.0000	100.00
31.5	157,314		0.0000	1.0000	100.00
32.5	111,101		0.0000	1.0000	100.00
33.5	110,684		0.0000	1.0000	100.00
34.5	110,684		0.0000	1.0000	100.00
35.5	110,684		0.0000	1.0000	100.00
36.5	110,684		0.0000	1.0000	100.00
37.5					100.00

SIMULATED  
NET SALVAGE STATISTICS

BOSTON EDISON COMPANY  
PERCENTAGE OF RETIREMENT ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE

ACCOUNT	YEAR	RETIREMENT	COST OF REMOVAL PERCENT	SIMULATED COST OF REMOVAL	ACTUAL COST OF REMOVAL	GROSS SALVAGE PERCENT	SIMULATED GROSS SALVAGE	ACTUAL GROSS SALVAGE
35200	1992		(5)	0	0	0	0	0
35300	1992	197,583.51	(20)	(39,517)	0	10	19,758	0
35400	1992	20,993.69	(15)	(3,149)	0	0	0	0
35500	1992	10,698.57	(25)	(2,675)	0	5	535	0
35600	1992	26,433.93	(5)	(1,322)	0	0	0	0
35700	1992		(5)	0	0	0	0	0
35800	1992		(5)	0	0	15	0	0
Total 1992		255,709.70		(46,662)	(54,963)		20,293	110,151
35200	1993	7,450.00	(5)	(373)	0	0	0	0
35300	1993	169,984.00	(20)	(33,997)	0	10	16,998	0
35400	1993		(15)	0	0	0	0	0
35500	1993		(25)	0	0	5	0	0
35600	1993		(5)	0	0	0	0	0
35700	1993		(5)	0	0	0	0	0
35800	1993		(5)	0	0	15	0	0
Total 1993		177,434.00		(34,369)	(33,057)		16,998	7,973
35200	1994		(5)	0	0	0	0	0
35300	1994	86,699.00	(20)	(17,340)	0	10	8,670	0
35400	1994		(15)	0	0	0	0	0
35500	1994		(25)	0	0	5	0	0
35600	1994	6,986.00	(5)	(349)	0	0	0	0
35700	1994		(5)	0	0	0	0	0
35800	1994		(5)	0	0	15	0	0
Total 1994		93,685.00		(17,689)	(13,715)		8,670	0

**BOSTON EDISON COMPANY**  
**PERCENTAGE OF RETIREMENT ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE**

ACCOUNT	YEAR	RETIREMENT	COST OF REMOVAL PERCENT	SIMULATED COST OF REMOVAL	ACTUAL COST OF REMOVAL	GROSS SALVAGE PERCENT	SIMULATED GROSS SALVAGE	ACTUAL GROSS SALVAGE
35200	1995		(5)	0	0	0	0	0
35300	1995	3,400,000.00	(20)	(680,000)	0	10	340,000	0
35400	1995		(15)	0	0	0	0	0
35500	1995		(25)	0	0	5	0	0
35600	1995		(5)	0	0	0	0	0
35700	1995		(5)	0	0	0	0	0
35800	1995		(5)	0	0	15	0	0
Total 1995		3,400,000.00		(680,000)	0		340,000	0
35200	1996		(5)	0	0	0	0	0
35300	1996	6,927,495.00	(20)	(1,385,499)	0	10	692,750	0
35400	1996		(15)	0	0	0	0	0
35500	1996		(25)	0	0	5	0	0
35600	1996		(5)	0	0	0	0	0
35700	1996		(5)	0	0	0	0	0
35800	1996		(5)	0	0	15	0	0
Total 1996		6,927,495.00		(1,385,499)	(90,300)		692,750	0
35200	1997	7,777.00	(5)	(389)	0	0	0	0
35300	1997	2,224,366.00	(20)	(444,873)	0	10	222,437	0
35400	1997		(15)	0	0	0	0	0
35500	1997	432,464.00	(25)	(108,116)	0	5	21,623	0
35600	1997	276,623.00	(5)	(13,831)	0	0	0	0
35700	1997		(5)	0	0	0	0	0
35800	1997		(5)	0	0	15	0	0
Total 1997		2,941,230.00		(567,209)	(579,490)		244,060	216,434

BOSTON EDISON COMPANY  
PERCENTAGE OF RETIREMENT ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE

ACCOUNT	YEAR	RETIREMENT	COST OF REMOVAL PERCENT	SIMULATED COST OF REMOVAL	ACTUAL COST OF REMOVAL	GROSS SALVAGE PERCENT	SIMULATED GROSS SALVAGE	ACTUAL GROSS SALVAGE
35200	1998		(5)	0	0	0	0	0
35300	1998	215,984.00	(20)	(43,197)	0	10	21,598	0
35400	1998		(15)	0	0	0	0	0
35500	1998	(497.00)	(25)	124	0	5	(25)	0
35600	1998		(5)	0	0	0	0	0
35700	1998		(5)	0	0	0	0	0
35800	1998		(5)	0	0	15	0	0
Total 1998		215,487.00		(43,073)	(879)		21,574	0
35200	1999		(5)	0	0	0	0	0
35300	1999		(20)	0	0	10	0	0
35400	1999		(15)	0	0	0	0	0
35500	1999	32,101.00	(25)	(8,025)	0	5	1,605	0
35600	1999	2,853.00	(5)	(143)	0	0	0	0
35700	1999		(5)	0	0	0	0	0
35800	1999		(5)	0	0	15	0	0
Total 1999		34,954.00		(8,168)	25,661		1,605	(12,500)
35200	2000		(5)	0	0	0	0	0
35300	2000		(20)	0	0	10	0	0
35400	2000		(15)	0	0	0	0	0
35500	2000		(25)	0	0	5	0	0
35600	2000		(5)	0	0	0	0	0
35700	2000		(5)	0	0	0	0	0
35800	2000		(5)	0	0	15	0	0
Total 2000		0.00		0	0		0	0

BOSTON EDISON COMPANY  
PERCENTAGE OF RETIREMENT ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE

ACCOUNT	YEAR	RETIREMENT	COST OF REMOVAL PERCENT	SIMULATED COST OF REMOVAL	ACTUAL COST OF REMOVAL	GROSS SALVAGE PERCENT	SIMULATED GROSS SALVAGE	ACTUAL GROSS SALVAGE
35200	2001		(5)	0	0	0	0	0
35300	2001		(20)	0	0	10	0	0
35400	2001		(15)	0	0	0	0	0
35500	2001	1,636.00	(25)	(409)	0	5	82	0
35600	2001	35,005.00	(5)	(1,750)	0	0	0	0
35700	2001		(5)	0	0	0	0	0
35800	2001		(5)	0	0	15	0	0
Total 2001		36,641.00		(2,159)	716		82	(97)
35200	2002	3,825.53	(5)	(191)	0	0	0	0
35300	2002	3,627,117.20	(20)	(725,423)	0	10	362,712	0
35400	2002	0.00	(15)	0	0	0	0	0
35500	2002	5,068,419.96	(25)	(1,267,105)	0	5	253,421	0
35600	2002	673,983.21	(5)	(33,699)	0	0	0	0
35700	2002	48,596.61	(5)	(2,430)	0	0	0	0
35800	2002	0.00	(5)	0	0	15	0	0
Total 2002		9,421,942.51		(2,028,849)	1,854,741		616,133	(12,667)
Total Transmission		23,504,578.21		(4,813,677)	1,108,714		1,962,164	309,294



## DEPRECIATION CALCULATIONS

BOSTON EDISON COMPANY

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-S2.5						
NET SALVAGE PERCENT.. -10						
1930	181,561.62	185,338	187,747	11,971	3.24	3,695
1948	25,425.35	23,543	23,849	4,119	7.12	579
1949	33,263.01	30,581	30,979	5,610	7.39	759
1951	37,603.39	34,046	34,489	6,875	7.96	864
1952	7,481.47	6,717	6,804	1,426	8.27	172
1953	128,101.15	114,039	115,522	25,389	8.58	2,959
1954	15,846.61	13,980	14,162	3,269	8.91	367
1955	93,352.76	81,606	82,667	20,021	9.24	2,167
1956	91,762.60	79,409	80,441	20,498	9.60	2,135
1957	11,770.08	10,082	10,213	2,734	9.96	274
1958	110,790.32	93,864	95,084	26,785	10.34	2,590
1959	62,800.45	52,612	53,296	15,784	10.73	1,471
1960	186,611.82	154,447	156,455	48,818	11.14	4,382
1961	47,663.50	38,950	39,456	12,974	11.57	1,121
1962	38,221.95	30,823	31,224	10,820	12.01	901
1963	33,524.35	26,651	26,997	9,880	12.48	792
1964	932.71	730	739	287	12.96	22
1965	156,612.78	120,747	122,317	49,957	13.46	3,712
1966	93,968.36	71,281	72,208	31,157	13.97	2,230
1967	8,733.47	6,510	6,595	3,012	14.51	208
1968	230,580.45	168,695	170,888	82,750	15.07	5,491
1969	373,553.82	267,913	271,396	139,513	15.66	8,909
1970	31,042.52	21,810	22,094	12,053	16.26	741
1971	925.00	636	644	374	16.88	22
1972	437,504.45	293,758	297,577	183,678	17.53	10,478
1973	3,366.91	2,206	2,235	1,469	18.20	81
1974	37,464.22	23,910	24,221	16,990	18.89	899
1975	22,889.85	14,206	14,391	10,788	19.61	550
1976	2,926,009.76	1,763,799	1,786,729	1,431,882	20.34	70,397
1977	6,733.32	3,934	3,985	3,422	21.10	162
1978	7,320.84	4,138	4,192	3,861	21.88	176
1979	139,611.45	76,172	77,162	76,411	22.68	3,369
1980	2,741.67	1,441	1,460	1,556	23.50	66
1981	7,230.00	3,651	3,698	4,255	24.34	175
1982	29,544.39	14,299	14,485	18,014	25.20	715
1984	312,516.97	137,748	139,539	204,230	26.97	7,572
1985	86,215.37	36,076	36,545	58,292	27.88	2,091
1986	1,105,698.87	437,857	443,549	772,720	28.80	26,831

BOSTON EDISON COMPANY

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-S2.5						
NET SALVAGE PERCENT.. -10						
1987	301,682.60	112,597	114,061	217,790	29.73	7,326
1988	30,879,603.07	10,808,479	10,948,992	23,018,571	30.68	750,279
1989	39,039.89	12,759	12,925	30,019	31.63	949
1990	18,196.55	5,516	5,588	14,428	32.60	443
1991	171,055.42	47,793	48,414	139,747	33.57	4,163
1992	348,785.03	89,087	90,245	293,419	34.55	8,493
1993	6,532.05	1,512	1,532	5,653	35.53	159
1994	3,169,566.92	656,861	665,400	2,821,124	36.52	77,249
1995	12,393.58	2,269	2,299	11,334	37.51	302
1999	604,279.51	51,714	52,386	612,321	41.50	14,755
2000	1,302,393.73	79,654	80,690	1,351,943	42.50	31,810
2001	1,085,294.07	39,754	40,271	1,153,552	43.50	26,518
2002	551,230.55	6,731	6,818	599,536	44.50	13,473
	45,617,030.58	16,362,931	16,575,655	33,603,081		1,106,044
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					30.4	2.42

BOSTON EDISON COMPANY

ACCOUNT 353 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-R2						
NET SALVAGE PERCENT.. -15						
1930	491,874.09	565,655	565,655			
1943	52,434.33	56,259	56,998	3,301	2.48	1,331
1947	11,597.23	12,024	12,182	1,155	3.64	317
1948	123,164.66	126,597	128,259	13,380	3.93	3,405
1949	572,669.13	583,427	591,086	67,483	4.22	15,991
1950	2,532.52	2,557	2,591	321	4.52	71
1951	8,820.02	8,821	8,937	1,206	4.82	250
1952	39,616.75	39,254	39,769	5,790	5.12	1,131
1953	329,002.74	322,811	327,049	51,304	5.43	9,448
1954	478,825.23	465,243	471,351	79,298	5.74	13,815
1955	849,739.98	816,842	827,566	149,635	6.07	24,652
1956	167,164.10	158,981	161,068	31,171	6.40	4,870
1957	54,510.57	51,253	51,926	10,761	6.75	1,594
1958	782,865.07	727,528	737,079	163,216	7.10	22,988
1959	609,590.43	559,491	566,836	134,193	7.47	17,964
1960	624,173.54	565,339	572,761	145,039	7.86	18,453
1961	127,769.28	114,139	115,637	31,298	8.26	3,789
1962	446,998.59	393,607	398,774	115,274	8.67	13,296
1963	478,755.04	415,184	420,635	129,933	9.10	14,278
1964	93,062.50	79,432	80,475	26,547	9.54	2,783
1965	480,108.50	402,885	408,174	143,951	10.00	14,395
1966	764,919.82	630,539	638,817	240,841	10.48	22,981
1967	267,573.40	216,474	219,316	88,393	10.97	8,058
1968	1,947,180.04	1,544,416	1,564,691	674,566	11.48	58,760
1969	3,411,991.23	2,651,305	2,686,112	1,237,678	12.00	103,140
1970	622,974.06	473,625	479,843	236,577	12.54	18,866
1971	416,139.63	309,246	313,306	165,255	13.09	12,625
1972	4,284,135.30	3,106,319	3,147,099	1,779,657	13.67	130,187
1973	1,039,995.16	735,417	745,072	450,922	14.25	31,644
1974	309,205.60	212,854	215,648	139,938	14.85	9,423
1975	753,007.06	503,901	510,516	355,442	15.47	22,976
1976	15,846,352.94	10,294,345	10,429,491	7,793,815	16.10	484,088
1977	85,219.09	53,636	54,340	43,662	16.75	2,607
1978	167,437.96	101,996	103,335	89,219	17.40	5,128
1979	3,779,818.50	2,222,949	2,252,132	2,094,659	18.08	115,855
1980	114,792.41	65,082	65,936	66,075	18.76	3,522
1981	325,989.03	177,734	180,067	194,820	19.46	10,011
1982	222,128.61	116,203	117,729	137,719	20.17	6,828

BOSTON EDISON COMPANY

ACCOUNT 353 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-R2						
NET SALVAGE PERCENT.. -15						
1983	85,781.51	42,952	43,516	55,133	20.89	2,639
1984	126,334.12	60,351	61,143	84,141	21.63	3,890
1985	1,430,842.04	650,618	659,159	986,309	22.37	44,091
1986	836,747.24	360,751	365,487	596,772	23.13	25,801
1987	2,797,383.40	1,139,136	1,154,091	2,062,900	23.90	86,314
1988	8,111,395.09	3,106,259	3,147,039	6,181,065	24.68	250,448
1989	2,867,916.68	1,027,689	1,041,181	2,256,923	25.47	88,611
1990	2,646,700.50	883,588	895,188	2,148,518	26.26	81,817
1991	12,887,377.98	3,977,818	4,030,040	10,790,445	27.07	398,613
1992	26,569,897.86	7,522,735	7,621,495	22,933,888	27.89	822,298
1993	3,894,870.49	1,002,423	1,015,583	3,463,518	28.72	120,596
1994	2,068,745.34	478,428	484,709	1,894,348	29.56	64,085
1995	2,590,053.26	531,375	538,351	2,440,210	30.40	80,270
1996	4,978,015.80	887,904	899,561	4,825,157	31.26	154,356
1997	1,178,381.04	178,743	181,090	1,174,048	32.12	36,552
1998	8,882,850.55	1,107,336	1,121,873	9,093,405	32.99	275,641
1999	28,245,770.89	2,748,031	2,784,108	29,698,529	33.87	876,839
2000	20,942,110.29	1,464,272	1,483,495	22,599,932	34.75	650,358
2001	9,564,917.97	401,487	406,758	10,592,898	35.65	297,136
2002	44,109,349.01	618,854	626,978	50,098,773	36.55	1,370,691
	225,999,575.20	58,074,120	58,829,103	201,070,406		6,962,566
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..						28.9
						3.08

BOSTON EDISON COMPANY

ACCOUNT 354 TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -25						
1965	4,059,325.12	3,065,805	3,105,661	1,968,495	21.77	90,422
1969	3,612,316.68	2,481,662	2,513,924	2,001,472	24.77	80,802
1970	1,097,815.30	734,850	744,403	627,866	25.55	24,574
1971	1,450,457.68	944,792	957,075	855,997	26.34	32,498
1973	744,300.43	457,745	463,696	466,680	27.94	16,703
1974	409,881.63	244,443	247,621	264,731	28.76	9,205
1975	9,202,851.71	5,314,647	5,383,739	6,119,826	29.59	206,821
1976	3,892,307.41	2,174,340	2,202,607	2,662,777	30.42	87,534
1977	425,841.18	229,741	232,728	299,573	31.26	9,583
1979	1,897,488.35	949,930	962,280	1,409,580	32.97	42,753
1981	582,612.59	268,512	272,003	456,263	34.72	13,141
1982	27,511.76	12,129	12,287	22,103	35.60	621
1984	24,164.28	9,672	9,798	20,407	37.39	546
1988	676,492.91	214,364	217,150	628,466	41.06	15,306
1992	1,348,639.75	312,379	316,440	1,369,360	44.81	30,559
1999	415,335.09	32,396	32,817	486,352	51.57	9,431
2000	1,635,553.61	91,387	92,575	1,951,867	52.54	37,150
	31,502,895.48	17,538,794	17,766,804	21,611,815		707,649
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					30.5	2.25

BOSTON EDISON COMPANY

ACCOUNT 355 POLES AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -25						
1965	873,554.44	677,660	686,470	405,473	18.97	21,374
1966	411.52	312	316	198	19.63	10
1967	3,324.46	2,468	2,500	1,656	20.30	82
1968	17,144.78	12,434	12,596	8,835	20.99	421
1969	307,471.59	217,690	220,520	163,819	21.68	7,556
1970	47,786.37	32,985	33,414	26,319	22.39	1,175
1971	882,489.40	593,253	600,965	502,147	23.11	21,729
1972	344,629.16	225,387	228,317	202,469	23.84	8,493
1973	538,980.14	342,522	346,975	326,750	24.58	13,293
1974	294,620.25	181,707	184,069	184,206	25.33	7,272
1975	2,193.65	1,311	1,328	1,414	26.09	54
1976	531,890.08	307,698	311,698	353,165	26.86	13,148
1977	625,404.74	349,758	354,305	427,451	27.63	15,471
1978	4,705.58	2,539	2,572	3,310	28.42	116
1979	1,602,255.54	832,372	843,193	1,159,626	29.22	39,686
1980	20,846.71	10,413	10,548	15,510	30.02	517
1982	18,351.59	8,414	8,523	14,416	31.66	455
1983	136,496.14	59,751	60,528	110,092	32.49	3,388
1984	313,792.07	130,773	132,473	259,767	33.33	7,794
1985	14,892.58	5,890	5,967	12,649	34.18	370
1987	88,338.32	31,161	31,566	78,857	35.89	2,197
1988	95,301.92	31,545	31,955	87,172	36.76	2,371
1989	51,230.60	15,830	16,036	48,002	37.64	1,275
1992	317,163.12	76,912	77,912	318,542	40.30	7,904
1993	2,641.28	581	589	2,713	41.20	66
1999	1,768,968.65	145,498	147,390	2,063,821	46.71	44,184
2000	818,006.66	48,058	48,683	973,825	47.65	20,437
2001	3,025,022.16	106,632	108,018	3,673,260	48.59	75,597
2002	13,226,324.37	155,409	157,429	16,375,476	49.53	330,617
	25,974,237.87	4,606,963	4,666,855	27,800,940		647,052

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 43.0 2.49

BOSTON EDISON COMPANY

ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2.5						
NET SALVAGE PERCENT.. -10						
1965	1,193,159.83	882,902	894,380	418,096	14.73	28,384
1966	1,541.84	1,118	1,133	563	15.33	37
1967	331.97	236	239	126	15.95	8
1968	388,246.86	269,610	273,115	153,957	16.59	9,280
1969	1,288,710.93	874,506	885,875	531,707	17.24	30,841
1970	718,823.30	476,163	482,353	308,353	17.90	17,226
1971	1,002,296.17	647,293	655,708	446,818	18.58	24,048
1972	577,660.96	363,337	368,061	267,366	19.27	13,875
1973	622,788.65	381,035	385,989	299,079	19.97	14,976
1974	325,540.66	193,443	195,958	162,137	20.69	7,836
1975	3,178,964.92	1,832,355	1,856,176	1,640,685	21.42	76,596
1976	2,034,331.91	1,135,890	1,150,657	1,087,108	22.16	49,057
1977	653,105.08	352,670	357,255	361,161	22.91	15,764
1978	114,426.27	59,662	60,438	65,431	23.67	2,764
1979	2,524,949.79	1,269,015	1,285,512	1,491,933	24.44	61,045
1980	7,200.40	3,482	3,527	4,393	25.22	174
1981	816,798.94	378,978	383,905	514,574	26.02	19,776
1982	35,271.25	15,675	15,879	22,919	26.82	855
1983	3,135.15	1,331	1,348	2,101	27.63	76
1984	227,441.19	92,018	93,214	156,971	28.45	5,517
1985	39,608.65	15,219	15,417	28,153	29.28	962
1987	134,110.28	45,997	46,595	100,926	30.97	3,259
1988	1,312,226.23	422,497	427,989	1,015,460	31.83	31,903
1989	3,237.19	974	987	2,574	32.69	79
1992	825,042.84	195,032	197,567	709,980	35.33	20,096
1994	217,186.41	41,784	42,327	196,578	37.13	5,294
1999	4,749,885.46	381,938	386,904	4,837,970	41.71	115,991
2000	3,104,732.94	178,274	180,592	3,234,614	42.65	75,841
2001	2,864,181.55	98,614	99,896	3,050,704	43.59	69,986
2002	581,024.04	6,647	6,733	632,393	44.53	14,202
	29,545,961.66	10,617,695	10,755,729	21,744,830		715,748

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 30.4 2.42



BOSTON EDISON COMPANY

ACCOUNT 357 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. -15						
1965	253,534.16	190,217	192,690	98,874	17.38	5,689
1966	3,575.00	2,625	2,659	1,452	18.07	80
1967	48,287.34	34,684	35,135	20,395	18.77	1,087
1968	54,578.37	38,299	38,797	23,968	19.49	1,230
1969	6,120.00	4,192	4,246	2,792	20.22	138
1971	3,800.00	2,472	2,504	1,866	21.72	86
1972	76,487.77	48,396	49,025	38,936	22.49	1,731
1974	45,661.29	27,253	27,607	24,903	24.05	1,035
1975	2,283,322.45	1,320,788	1,337,959	1,287,862	24.85	51,825
1976	142,688.87	79,880	80,919	83,173	25.66	3,241
1977	48,856.96	26,430	26,774	29,412	26.48	1,111
1979	92,149.79	46,310	46,912	59,060	28.15	2,098
1990	2,318,345.60	641,996	650,342	2,015,755	37.96	53,102
	5,377,407.60	2,463,542	2,495,569	3,688,448		122,453
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..						
					30.1	2.28

BOSTON EDISON COMPANY

ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. -20						
1965	9,697,186.36	7,591,733	7,690,428	3,946,196	17.38	227,054
1966	389,158.32	298,220	302,097	164,893	18.07	9,125
1967	3,874,507.60	2,904,021	2,941,774	1,707,635	18.77	90,977
1968	6,741,867.01	4,936,665	5,000,843	3,089,397	19.49	158,512
1969	1,663,864.88	1,189,198	1,204,658	791,980	20.22	39,168
1970	1,372,690.37	956,381	968,814	678,414	20.97	32,352
1971	182,361.89	123,773	125,382	93,452	21.72	4,303
1972	5,081,943.63	3,355,302	3,398,922	2,699,410	22.49	120,027
1973	15,944.00	10,232	10,365	8,768	23.26	377
1974	5,101,909.79	3,177,469	3,218,777	2,903,515	24.05	120,728
1975	10,021,426.52	6,048,933	6,127,571	5,898,141	24.85	237,350
1976	6,449,644.94	3,767,625	3,816,606	3,922,968	25.66	152,883
1977	5,174,561.68	2,920,937	2,958,910	3,250,564	26.48	122,755
1978	24,604.90	13,399	13,573	15,953	27.31	584
1979	5,914,478.54	3,101,553	3,141,874	3,955,500	28.15	140,515
1980	404,214.19	203,724	206,372	278,685	29.00	9,610
1983	66,298.55	29,277	29,658	49,900	31.60	1,579
1984	148,275.19	62,311	63,121	114,809	32.49	3,534
1986	134,789.82	50,854	51,515	110,233	34.28	3,216
1987	6,806,751.82	2,419,392	2,450,845	5,717,257	35.19	162,468
1989	2,897,908.86	902,061	913,788	2,563,703	37.03	69,233
1990	54,393,771.02	15,717,624	15,921,960	49,350,565	37.96	1,300,068
1993	856,151.90	189,449	191,912	835,470	40.78	20,487
1998	58,778.64	6,221	6,302	64,232	45.59	1,409
1999	14,988,171.88	1,233,826	1,249,866	16,735,940	46.57	359,372
2000	8,789,905.31	518,956	525,702	10,022,184	47.54	210,816
2001	61,084.46	2,170	2,198	71,103	48.52	1,465
2002	782,261.08	9,199	9,319	929,394	49.51	18,772
	152,094,513.15	61,740,505	62,543,152	119,970,261		3,618,739
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.2	2.38

BOSTON EDISON COMPANY

ACCOUNT 359 ROADS AND TRAILS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2002

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. 0						
1965	110,684.38	66,876	67,745	42,939	21.77	1,972
1969	6,000.00	3,298	3,341	2,659	24.77	107
1970	46,212.83	24,747	25,069	21,144	25.55	828
1971	60,236.31	31,389	31,797	28,439	26.34	1,080
1975	412,470.12	190,561	193,038	219,432	29.59	7,416
1982	39,632.93	13,979	14,161	25,472	35.60	716
1984	31,307.02	10,025	10,155	21,152	37.39	566
1987	57,782.90	15,624	15,827	41,956	40.13	1,046
1989	31,774.46	7,515	7,613	24,161	41.99	575
1992	73,908.61	13,695	13,873	60,036	44.81	1,340
1998	10,265.69	823	834	9,432	50.59	186
1999	219,953.44	13,725	13,903	206,050	51.57	3,996
2000	144,287.80	6,450	6,534	137,754	52.54	2,622
2002	118,868.47	1,058	1,072	117,796	54.51	2,161
	1,363,384.96	399,765	404,962	958,422		24,611
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					38.9	1.81

Information Request MIT-1-22

Please provide a copy of the most recent depreciation study provided for the 13.8 kV facilities.

Response

The most recent depreciation study that included 13.8 kV facilities is provided as Exhibit NSTAR-CLV-11 in this case. However, depreciation rates were not adopted in D.T.E. 05-85 based on that study. See Department Order approving the Settlement Agreement in D.T.E. 05-85, at 8-9. In addition, that depreciation study was not used for purposes of establishing depreciation rates in any federal case. Cambridge's latest approved depreciation study applicable to the distribution plant accounts associated with the 13.8 kV facilities is set forth as Attachment DTE-1-25B [**BULK ATTACHMENTS**].